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Negotiations in Groznyy

Agreement Reached on Disarming Achkhoy-Martan

LD2308133795 Moscow Radiostantsiya Ekho Moskvy in Russian 1200 GMT 23 Aug 95

[FBIS Translated Text] An agreement on disarming the Chechen detachments in Achkhoy-Martan district was reached at the consultations in Groznyy today. The disarmament is to start tomorrow, our special correspondent reports. The process of disarmament and the pullout of Russian troops from Achkhoy-Martan will be monitored by Kazbek Makhashev, interior minister in Dudayev's government, and Pavel Maslov, deputy commander of federal troops.

Kazbek Makhashev said that disarmament would start in Achkhoy-Martan district tomorrow. The following steps will be taken within the framework of disarmament: first, the fighters will surrender their weapons, which will be subsequently destroyed while the federal forces will be withdrawn simultaneously. Second, the Council of Elders will hold a meeting to ponder the issue of setting up self-defense detachments. And third, a decision by the Council of Elders will be approved by members of the supervisory commission.

Kazbek Makhashev assured a Moscow Ekho correspondent that the whole operation will take place without excesses. The federal forces' behavior during tomorrow's action is the only problem that worries him.

Observer Commission Co-Chairmen Meet in Groznyy

LD2308075995 Moscow ITAR-TASS in English 0735 GMT 23 Aug 95

[By Sharip Asuyev and Mikhail Shevtsov]

[FBIS Transcribed Text] GROZNYY, August 23 (ITAR-TASS) — A working meeting between co-chairmen of the Special Observer Commission Anatoliy Romanov, commander of federal troops in Chechnya, and Aslan Maskhadov, head of the chief staff of Chechen detachments, started at the military registration and enlistment office in Groznyy exactly at 10:00 on Wednesday.

The main aim of talks is to hammer out a common position of the sides on implementation of the military agreement of July 30.

The meeting started exactly on time, without delays. The Chechen delegation was the first to arrive at 09:40. The commander of federal forces and aides accompanying him arrived in two armoured carriers and cars 13 minutes later. Experts of the sides and bodyguards come in and go out of the building all the time. They readily reply to questions by numerous reporters. According to observations, the consultations are being held in a business-like and calm atmosphere.

Mikhaylov: Chechen Issue Divided Into Two Packages

LD2208201195 Moscow INTERFAX in English 1937 GMT 22 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 22 (INTERFAX) — The federal delegation to the Groznyy peace talks is "ready to launch negotiations on the package of political issues with pro-Dudayev rebels at any moment," the head of the federal delegation told INTERFAX in Moscow Tuesday [22 August].

According to Vyacheslav Mikhaylov, who is also Russia's Nationalities and Regional Policy Minister, "we have ascertained by today that dividing the issue into two packages — military and political — creates many difficulties in the disarmament of illegal armed formations." He remarked that the federal delegation had agreed to single out the military package of issues and sign a relevant agreement on July 30 only because otherwise the talks would have reached a deadlock, and the prospects for peace settlement would have been disrupted.

"Since the Chechen side insisted on dividing the issue into two packages, it will have to prove its intention to achieve peace is serious while disarming illegal armed formations," Mikhaylov said.

"If the disarmament is real, but not a show-off, we step on the way of negotiation; if the disarmament process does not go ahead and provocations, like that in Argun, continue, we solve the issue by other means," he added.

The main issue to solve is the creation of a transition period government in Chechnya, Mikhaylov said.

According to Mikhailov, pro-Dudayev rebels still may organize terrorist acts on the territory of Russia. However, "such terrorist acts will only expose the true face of Dzhokhar Dudayev and his aides before the world community." At the same time, he pointed out the need "to be watchful to timely prevent the threat of terrorist acts."

No Talks on Political Issues Before Disarmament

LD2208120795 Moscow ITAR-TASS World Service in Russian 1008 GMT 22 Aug 95

[By Andrey Shtorkh]

[FBIS Translated Text] Moscow, 22 Aug (ITAR-TASS) — The Russian federal authorities' position with regard to resuming the talks on finding a peace settlement in Chechnya remains unchanged — the Dudayev party must fully implement the provisions on disarming the illegal armed formations mentioned in the package of military agreements before political talks can be held. Vyacheslav Mikhaylov, Russian minister of nationalities and regional policy, who leads the Russian government delegation at the talks in Groznyy, said this in conversation with the ITAR-TASS correspondent today.

"The question of continuing the talks is not closed and this is set out in the agreement," Mikhaylov said. "But first, the disarming of the bandit formations, which essentially has yet to begin, must be completed. Although individual citizens are surrendering arms, the fighters with whom the agreement was concerned in the first place are not doing so."

The Russian delegation head confirmed that Nikolay Semenov, head of the territorial directorate of agencies of federal power in the Chechen Republic, flew down to Chechnya today. At the same time, he said, Semenov's arrival in Groznyy should not be seen as the arrival of the government delegation of which he is a member. "Our position remains unchanged, and it was repeated in the 13 August government statement — the federal authorities are willing to continue the talks, but only when the conditions of the documents already signed have been fulfilled," V. Mikhaylov stressed.

Volskiy Defends Chechnya Agreement

MM2208153295 Moscow KOMSOMOLSKAYA PRAVDA in Russian 22 Aug 95 pp 1, 2

[Interview with Arkadiy Volskiy by Olga Dmitriyeva in Karlovy Vary (Czech Republic); date not given: "What Remained Under the Negotiating Table in Groznyy? Arkadiy Volskiy With the Poignant Details"]

[FBIS Translated Text] [Dmitriyeva] Arkadiy Ivanovich! Excuse me for this impolite intrusion — presumably contact with journalists is not the most pleasant event during a well-deserved vacation, but gloomy news is emanating from Chechnya, the Kremlin is issuing an ultimatum, and you are, so to speak, in the middle. I am overcome with foreboding that the agreement, of which you are co-author and which people have already rushed to call historic, is no more than a pause in an absolutely insoluble conflict. Perhaps no more than a soap bubble, even. What are your thoughts?

[Volskiy] I believe that above all we must not rush events. We did not end the war with the signing of the agreement; we began to end the war by doing so, and there is a difference. I do not agree with Minister Kulikov that we need two months to set the agreement in motion. We need at least three months. Of course it has been at the implementation stage that difficulties have arisen. But where have they not arisen when a war has come to an end? Dudayev is in his death throes, hence his darting from side to side and his falsification of facts. For example, it is written into the agreement that disarmament is to take place in line with the Russian Federation Law on Defense. In the final text the words "Russian Federation" for some reason dropped out — perhaps they were considered superfluous, because it was understood that only Russia has such a law. Suddenly Dudayev composed and backdated his own law on defense, and distorted the whole process of handing over weapons. This order of his — not to hand over weapons and to fight to the last man — is absolute madness.

[Dmitriyeva] So far, unfortunately, there is not the slightest sign that the agreement signed will allow the crisis to be overcome. Are you prepared to suggest that we have signed something of a "Treaty of Brest-Litovsk"?

[Volskiy] I am prepared to assert the opposite: Russia did not make a single concession in signing the document. This is the first time that I have said this: We did not make a single concession! I swore not to use the word "capitulation" at the talks but, since that is what it is, let me rather prove an oath-breaker but let me call a spade a spade: Effectively the disarmament stipulated in the treaty is indeed a capitulation.

Let us show our hand still further. Dudayev declared to me in a one-on-one conversation — although someone else was listening in, I am convinced: "Right now I have 11 terrorist groups at the ready. I do not want you to call them terrorist groups; they are sabotage groups. They are all in Russia. And I if see that Russia is behaving badly, I will put those groups into action."

And I know that this is no idle threat. It has to be reckoned with.

[Dmitriyeva] That is to say that Dudayev put us on the spot? That we were forced to retreat in the face of his blackmail?

[Volskiy] No, it is not blackmail. He put Basayev into action, and thereby confirmed the seriousness of his threats. And, unlike some people, I do not want an escalation of tension, an outbreak of tragic situations, to occur in Russia, followed by the introduction of a state of emergency. I therefore want the war to end in peace, as all wars in human history have ended. But for this we must observe certain formalities. Zhukov in the final analysis boarded a plane to Potsdam in order to sign an agreement with the defeated Keitel, who immediately afterward hanged himself. We too have signed an agreement. This peace, which people have now begun to criticize so assiduously, was signed according to a perfectly classic scheme, and I consider it neither poor nor piteous, although I can by no means rule out that we will have to hammer out and agree one or two more things.

All the talk today about the Russian Army having been defeated is nothing but a propaganda campaign in the runup to the elections, I swear to you! The second motive is a desire to drive a wedge between Yeltsin and Chernomyrdin. In Russia two parties really exist: the party of fools and the party of war. Today Russians are disappointed with the outcome of the Chechnya campaign, and cry: What were we fighting for? But the Chechens are also shouting, now that they have begun to disarm: What were we fighting for?

[Dmitriyeva] This disarmament process is somehow not too noticeable, is it, Arkadiy Ivanovich?

[Volskiy] But they are disarming! Gliskhanov, the new leader of the delegation, phoned me only just now, begging to be put in touch with Chernomyrdin: He is prepared to sign anything we like!

Well, we have to muster at least a little patience. In the final analysis Britain spent more than 20 years trying to end the war in Ulster. We have already slaughtered more than 30,000-35,000 people in the Chechnya campaign. How many more do we want?

[Dmitriyeva] I get the impression that sensible people want something else: logic, consistency, and responsibility from the state authority, if the latter is still competent today. The war was launched without so much as a "by your leave" under the banner of preserving state integrity. Does the military agreement ensure the achievement of this goal? Obviously not. Does it mean that we are ready to give up the goal? That would mean, logically, that the war had been lost.

[Volskiy] Russia's political goal was to preserve constitutional order in Chechnya. How can it be preserved legitimately? Of course it is possible to keep some kind of government of occupation in place, but sooner or later elections would have to be held. Can you hold them with guns in your hands? You cannot! They would slaughter one another. Certain hotheads are saying: Well, let them! That is, they are ready to turn the Russian-Chechen conflict into an inter-Chechen conflict. Yes, but that would still mean a conflict on Russian territory! Therefore I believe that these talks are nothing more than artificial election posturing. Pressure on the premier and the president has all this time been savage on all sides: You must bomb, they were told, you must thrash, you must shoot! But after all, war in mountain conditions is not the same as war on level ground; it would be our Russian soldiers who would be killed in those conditions sooner than Dudayev's supporters. There was a proposal in the Duma to "drive the enemy into his lair" — Zhirinovskiy's suggestion. That is absurd. I have traveled across the entire mountain range, I have been in the dugouts, and I have seen how Dudayev has very strong fortifications, how the gunmen are concentrated in the mountain villages. To drive them out, we would have to knock down whole villages. According to intelligence information, Dudayev still has between 800 and 1,300 men in the hills. And now they say: Why the talks? You should finish them off! But how?

[Dmitriyeva] Well, the idiot who elaborated the Chechnya campaign probably knows HOW [all caps as published]. How do you personally assess the act of launching the war itself?

[Volskiy] On the first day of the bombing of Groznyy I condemned the war on television and said that this was not a Chechen tragedy but a tragedy for the whole of Russia. I do not deny this even now. But I was elected 30 December, and the storming of Groznyy began on the 31st — I ask you to note that! As for the methods by which military operations were carried out, I believe them to have been absolutely stupid.

[Dmitriyeva] And how, Andrey Ivanovich, would you explain your appointment to the "strategically important" post of leader of the working group for settlement of the conflict in Chechnya? Is there not a certain cunning behind it? After all, if a campaign ends in failure a man "without portfolio" apparently carries no responsibility.

[Volskiy] I would not say that. There are people who can be called to account. The leader of the delegation is a Russian minister, and the delegation's number two is the interior minister. Incidentally, I rate Kulikov very highly. I believe that for the first time in 40 years Russia has a real interior minister who at least understands what he is talking about.

[Dmitriyeva] That is, you are not the "supporting structure" at these talks?

[Volskiy] Well, yes. Why do you say that? I am ready to answer for every word in this agreement. There were no disagreements inside our delegation.

[Dmitriyeva] All the same, why was Volskiy chosen?

[Volskiy] I do not know myself. That is the way that my life has always turned out. In 1956 I found myself among the troops sent into Hungary, in 1968 I ended up in Czechoslovakia. The accident at Chernobyl happened 26 April, and on 27 April I was already in place there, evacuating the city. Then I was in Karabakh for two years. And I was appointed to Chechnya in my absence, being away on business at the time. The devil knows why they appointed me!

[Dmitriyeva] Do you think, like Yeltsin, that before military operations began "all other measures had been exhausted" with regard to Chechnya?

[Volskiy] No, I do not think that. By no means do I think so.

[Dmitriyeva] Do you believe in the possibility of a peaceful settlement to the Chechnya situation?

[Volskiy] I do not simply believe it, I am convinced of it! There are precedents for this. Take Georgia and Abkhazia: They stopped fighting as a result of talks and are no longer battering each other. The Dniester region and Moldova found a common language. And there has been no war in Karabakh for 18 months.

On the first day of the talks I put forward two postulates. The first was war, the second — peace. This caused a terrible storm amongst Dudayev's supporters. What is this? There is a third option — secession from Russia! I said: That will not happen. We will not allow the disintegration of the North Caucasus.

Today there is talk all over the country that we should let Chechnya go. Fifty-seven percent of Russians are in favor. I do not belong to those 57 percent. Why did Basayev put the question to Chernomyrdin of letting Chechnya's fate be decided by an all-Russia referendum? Not a Chechen, but a Russian referendum? Because Basayev is not stupid, and he understands that the ordinary Chechnya is a burden, and they wish it would disappear! Well, so it disappears. Then what? Then the collapse of the North Caucasus would follow. Then we could expect the division of the Volga region. We destroyed the Union. Are we now going to destroy Russia? This cannot be allowed to happen at the present stage. I stress: at this stage! While the country is weak....

[Dmitriyeva] So, the only condition for a peaceful settlement is "if Chechnya voluntarily remains part of the Federation." And if not?

[Volskiy] We must elect a government — the majority of people are for electing a government which wants to remain part of Russia.

[Dmitriyeva] Can you assume that Dudayev will not be elected?

[Volskiy] Let us talk openly, then. Today, according to all the sociological polls, Khasbulatov is in the lead. Moreover, by a huge margin. Dudayev is objectively in second place. In third is Zavgayev, and in fourth — Magomadov. If Khasbulatov were to win, Chechnya would remain with Russia. He has proclaimed this five times. But today the situation is shaping in such a way that no prominent Russian leader intends even contemplating a meeting with Khasbulatov, let alone actually meeting him! I asked Chernomyrdin to meet with Khasbulatov. But he told me: "No way will I meet him!" Well, then let him delegate someone to do so! I say to everyone: When it is a question of preserving state integrity, you have to be prepared to lower your personal vanity a little. For example, I was also very offended when Dudayev said that I launched the war. Geliskhanov, true, offered me an official apology on behalf of the delegation. I have never allowed any president to be rude to me, let alone lie to me!

So then, as for Khasbulatov: What would I do right now? I would create some kind of think-tank to tackle this work at high level. I would gather all the Chechen leaders together and say: Guys, pool your votes together, otherwise things will be bad. At the moment everyone is going it alone, but Khasbulatov has supporters on one side and on the other. Dudayev's supporters say to us: Khasbulatov has no blood on his hands, that is why the people want him. In this respect I can say that after disarmament, the second most important question for me is the unification of all the scattered forces.

[Dmitriyeva] What is the implication of the tough measures promised the other day by Chernomyrdin?

[Volskiy] Firm steps toward disarmament. If this is done voluntarily, it will be bloodless; if it is not done voluntarily, there will be bloodshed. But weapons must be taken away in any case. I support Chernomyrdin's statement.

[Dmitriyeva] With what aim in view did you meet with Dudayev?

[Volskiy] I offered him a comfortable way to back down: a plane, money, guarantees of safety, and immunity from prosecution by Interpol.

[Dmitriyeva] He did not buy it?

[Volskiy] As you can see, he did not. He is still sitting tight in Chechnya.

[Dmitriyeva] Do you think that we can be consoled by a Constitutional Court ruling and refrain from hunting down individual culprits with respect to the launch of the Chechnya war?

[Volskiy] Perhaps. Or we should revise the Constitution. I am against lawlessness.

[Dmitriyeva] Well, the collapse of the Union was also not much in accordance with the Constitution, if you want to be law-abiding!

[Volskiy] I was against the Belovezhskaya Forest agreements from the very beginning. And everything that I thought, I told to Gorbachev. Everywhere I went I said: "You will bring the country to ruin!" I even said it at a Central Committee plenum. And obviously it was no accident that Gorbachev phoned me at home at the time, 19 August. He phoned me at 1800, although he has also said that his phone was cut off at 1700, and said: "Arkadiy, keep in mind that I am not ill."

So my conscience is clear. I think that sooner or later there will be a search for the guilty parties — on both sides. And in general, you know, I have the impression of a herd of horses stampeding — let us say that this is Russia, okay? Suddenly in front of them a cliff face drops away into a ravine. The herd cannot be turned back; the horses swing round on their own axes, and the one who was last is now first. Actually, for me, this image is connected more with sheep.... And if there are cataclysms now and the stampede swings back round again, things will be even worse!

Further on Kulikov's Denial of Volskiy's Dismissal

LD2308072995 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 0650 GMT 23 Aug 95

[FBIS Translated Text] Arkadiy Volskiy's dismissal from participating in the talks process on a peaceful settlement of the Chechen crisis would be inexpedient, Interior Minister Anatoliy Kulikov thinks.

"Arkadiy Ivanovich Volskiy is carrying out his duties at the talks very well. He is a very well prepared, experienced, clever politician and he is very useful," Anatoliy Kulikov said in an interview with the Ekho Moskvy radio station. Anatoliy Kulikov said that he knew nothing about Volskiy's dismissal.

Meanwhile, on 22 August informed sources in the Kremlin reported to an Ekho Moskvy radio station correspondent that Arkadiy Volskiy, deputy head of the Russian delegation in Groznyy, had been dismissed from further participation in the talks on the verbal order of the Russian Federation president.

Mikhaylov Denies Volskiy Dismissed From Delegation

LD2208202195 Moscow INTERFAX in English 1747 GMT 22 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 22 (INTERFAX) — The head of the Russian delegation to talks with the Chechen separatists, Vyacheslav Mikhaylov, denied media reports that Arkadiy Volskiy will be dismissed as delegation deputy Tuesday [22 August].

"Those rumors are a newspaper hoax," designed to bring discord into the delegation and make the negotiations more difficult, Mikhaylov, Russian Nationalities Minister, said answering a question by INTERFAX.

"The present composition of the delegation has been approved by a directive of the government of the Russian Federation, and only the government can decide to make any changes," the Minister said.

He said that, as head of the delegation, he did not know about any plans to change its composition.

Mikhaylov Fears Another Argun in Gudermes, Groznyy

LD2208172395 Moscow ITAR-TASS World Service in Russian 1040 GMT 22 Aug 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 22 Aug (ITAR-TASS) — The act of Dudayev's fighters, who on Sunday seized the district Interior Ministry Department building in Argun and declared themselves the town's military leadership, could be repeated in Gudermes and even in Groznyy. This possibility was not ruled out today by Vyacheslav Mikhaylov, head of the Russian Government's delegation at the talks in Groznyy, in a conversation with an ITAR-TASS correspondent.

According to Mikhaylov, the "Argun conflict" was a pre-planned provocation by the Dzhokhar Dudayev regime, who declares the field commanders loyal to him as military commandants of Chechen towns. According to the head of the delegation, Dudayev has already appointed Abu Movsayev commandant of Groznyy, and Sultan Geliskhanov commandant of Gudermes. One may suppose that they are trying to repeat the "Argun scenario" in order to seize military power in these towns, Vyacheslav Mikhaylov indicated.

Maskhadov Controls Only 60 Percent of Rebels

LD2208155895 Moscow INTERFAX in English 1459 GMT 22 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 22 (INTERFAX) — Chechen chief of staff Aslan Maskhadov controls only 60% of the Chechen rebels, the head of the federal delegation to the Groznyy peace talks told journalists in Moscow Tuesday.

Russian Nationalities and Regional Policy Minister Vyacheslav Mikhaylov says that in Chechnya there are many armed groups outside Maskhadov's control. He said the real disarmament of illegal armed formations had not yet started, since individual citizens and members of the so-called popular volunteers' corps had handed in arms.

Mikhaylov said the Chechen side had not yet submitted maps of minefields, lists of members of illegal armed formations and information on their hardware.

According to Mikhaylov, he talked to his Chechen counterpart, Khozh-Akhmed Yarikhanov, to propose the disarmament start with the group led by field commander Akhmed Zakayev.

Commenting on the situation in Argun, Mikhaylov said the federal troops had carried out the operation "observing all existing internationals norms while clearing inhabited localities from terrorists."

According to unconfirmed information, Dzhokhar Dudayev has ordered another attack similar to the Argun one, Mikhaylov said.

"If this happens, it will mean a gross violation of the agreement on military issues signed in Groznyy on July 30," he underlined.

According to Russian sources, clashes in Argun left one federal serviceman dead and 12 wounded. One local civilian was injured.

Military Operations

Troops Involved in Argun Operations Removed

LD2208155795 Moscow INTERFAX in English 1459 GMT 22 Aug 95

[FBIS Transcribed Text] GROZNYY, Aug 22 (INTERFAX) — The federal troops who took part in the operation to neutralize the group of Alaudi Khamzatov's militants in Argun were removed from that Chechen town after 16:00 Tuesday. According to an INTERFAX correspondent, federal troops also removed all road blocks inside the town, which is now open to traffic coming in or out of town.

Argun is located 10 kilometers east of Groznyy.

An INTERFAX correspondent reports that as he approached Argun, he saw a convoy of 80 armored vehicles, apart from military trucks, leaving the town.

The building of the district police force in Argun, seized by Khamzatov's force Sunday, has remained practically intact. Even windows are in place.

Khaperskov Denies Allegations His Forces Behind Argun

LD2208212195 Moscow ITAR-TASS World Service in Russian 1954 GMT 22 Aug 95

[By Mikhail Shevtsov]

[FBIS Translated Text] Groznyy, 22 Aug (ITAR-TASS) — General Georgiy Khaperskov, chief of the directorate of the Federal Security Service in Chechnya, described as absurd and unworthy of comment the accusation made today by Aslan Maskhadov, the chief of staff of Dudayev's forces, that the Russian Federal Security Service was involved in the recent events in Argun.

He stated in an interview with ITAR-TASS late this evening that the directorate of the Federal Security Service in Chechnya, like all the federal power structures, is required to help bring about a speedy resolution of the Chechen crisis, by peaceful means.

"The Federal Security Service has absolutely no connection with the actions of the fighters in Argun," Georgiy Khaperskov stated.

Chechens Say Russian Cordons Let Khamzatov Escape

LD2308101195 Moscow ITAR-TASS World Service in Russian 0838 GMT 23 Aug 95

[By Sharip Asuyev, Mikhail Shevtsov]

[FBIS Translated Text] Groznyy, 23 Aug (ITAR-TASS) — Field commander Alaudi Khamzatov, who had seized for 24 hours the police station in Argun, was not at all hiding from the federal forces as they were "cleansing the Groznyy suburb," but was freely allowed by the federal forces to pass through the cordons at 2315 hours on 21 August. ITAR-TASS learned this today from a reliable source in Groznyy close to the leadership of the main staff of the Chechen units.

Thirty-five fighters left together with Khamzatov, having left behind them at the police station several rockets, one ZPU-23/4 Shilka rapid-fire antiaircraft gun, four Kamaz trucks, and several cars. The group left through the compound of the Krasnyy Molot [Red Hammer] works adjacent to the police station, ITAR-TASS has learned from reliable Chechen sources.

The command of the federal forces has not yet confirmed or denied the report.

Rebel Actions in Argun Said To Violate Constitution

LD2308063395 Moscow ITAR-TASS in English 0601 GMT 23 Aug 95

[FBIS Transcribed Text] MOSCOW, August 23 (ITAR-TASS) — The command of federal forces in Chechnya described actions by Chechen rebels who tried to remove bodies of federal authority in Argun, a suburb of Groznyy, as a crude violation of the Russian Constitution with signs of several crimes.

A statement, conveyed to ITAR-TASS by telephone on Wednesday by a representative of the federal command, stresses that imminent danger to the life of civilians developed in Argun as a result of the attack by bandits.

Thus, Chechen rebels violated provisions of the Geneva Convention of August 12, 1949 on protection of civilians in case of an armed conflict.

The statement says that all such actions will be resolutely thwarted in future and rebels will be killed by all types of weapons available to the federal command.

Chechens 'Utterly Weary' of War; Commissar Comments

MM2208122395 Moscow KRASNAYA ZVEZDA in Russian 18 Aug 95 p 1

[Report by Colonel Aleksandr Andryushkov and Lieutenant Colonel Sergey Prokopenko: "Chechnya Cannot Survive Without Russia. More and More Ordinary People Are Beginning To Realize This. Our Special Correspondents Meet With Chechen Republic Military Commissar Colonel Ibragim Suleymenov"]

[FBIS Translated Excerpt] [passage omitted] I believe, the Chechen Republic military commissar said, that there is no going back to the old, nightmarish existence. The Dudayev regime is as odious to the Chechen people as the deportation era. People are utterly weary of the present war. They want regeneration. Not separate from Russia, but with Russia. Let me tell you, the republican commissariat is currently making both military and state policy. This is confirmed by the confidence of people who are again sending their sons off to do military service with us, not to the mountains and Dudayev.

You can see young boys in soldiers' uniform working outside the commissariat and inside the building. They are fighters of the first motorized rifle company — the foundation of future military subunits. There are 54 at the moment, men who wanted to serve their people and not fight against them — which is what Dudayev wants. Our prospective conscription potential is around 70,000 people. We intend to create out of them 10-12 construction battalions to resurrect the devastated national economy. Let the republic's first soldiers have trowels in their hands, rather than rifles. But the time will come when boys from Chechnya will again join the combat subunits of our common state — Russia.

Already we have nine rayon military commissariats operating on the territory of the Chechen Republic. We are planning to set them up in another six or seven rayons. The situation is unsettled there at the moment. The Dudayevites have the people thoroughly scared. They are deceiving people when they say that they are fighting for their freedom. The mafia bosses are concerned about their assets. They are busy planting their representatives in all newly formed organs of authority. Particularly in the power structures, for example, the police.

At the same time, 2,500 men of conscription age and older, those who served in the Army and fought against the Dudayev regime in the federal forces, have not come aboard. Dudayev is aware what kind of force this is and is endeavoring to neutralize it. He and his staff are now presenting them as loners in illegal possession of weapons. They call their own formations the regular army. Again a case of deceiving the people! The police and self-defense detachments must be made up of those who fought against Dudayev and not bandits. They will prevent the gunmen's outrages.

See what has begun to emerge in the course of the talks. As soon as a couple of mojahedin appear in any Chechen rayon center, the current police take fright and leave the inhabitants to their own devices. In that way Shali was surrendered to the Dudayevists without any resistance. From time to time, the notorious Shamil Basayev takes a break there with his thugs. The federal forces are observing a moratorium on conducting combat actions, while the local police have all run away. Do you see what is happening? The return to the old ways has begun. In Chechnya at the moment the police are not catching criminals, the prosecutor's office is not arresting them, and the courts are not trying them, that is, the republic's population has no protection against rampant banditry. Neither from the laws of the Russian Federation, nor from the Constitution, nor from the local organs of authority. What we have is filtration centers, cases where people have exceeded their authority, where officials of power structures have used their position for mercenary purposes. This is a terrible sign. The ordinary people's faith in law and order is being undermined. This situation plays into Dudayev's hands. This disease must be swiftly localized. The question is how to make the local militia, prosecutor's office, and courts operate conscientiously, so that the Army does not have to perform their functions.

Young people in Chechnya know that they have to serve in the Army. Boys are going to the military commissariats, to the draft centers. Those whose consciences are not clean are going to the mountains to join the bandits. There are those who have been intimidated by the gunmen and taken by force. But there are fewer and fewer of them each day. The people are not allowing the bandits to decide their sons' future.

We are not after an immediate, mass conscription of Chechen youth into the Army. There is no point in assembling young men in rayons, putting them aboard trucks, and sending them to service in other regions of Russia. We must wait for things to stabilize in Chechnya and take the psychological factor into account. There have been other suggestions. A civil defense headquarters has been set up in the republic. We need subunits as part of the Ministry for Emergencies. People will be detailed and they will be conscripted for civil defense and for the Russian Federation Emergencies Ministry. We will train our own rescue professionals. There will be work for them. The boys will be doing noble, rewarding work. Given the emergency situation, why wait for help to come from somewhere deep in Russia if we have our own forces available? Professionals from the center will have to train them, of course.

We must register induction-age young people before the fall. I believe that life will return to normal in a year or two's time: People will be going to work or to institutions, children will be going to school, to technical colleges, and institutes. Conscripts will be going to rayon military commissariats. And boys from Chechnya will be serving with their contemporaries, as they did before, all over Russia, all over our common homeland. People must appreciate that Chechnya is Russian territory and all the citizens living their are Russians. They will be protected by the Constitution and they will have rights and the opportunity to exercise them on a par with all other Russians.

Today, because of the total absence of ideology in the country and the bad behavior of certain politicians, who through what they say are creating the view that ethnic Russians here are in a foreign land, the Chechen people, experiencing a severe information famine, are getting irritated and anxious about their future. Also, you must bear in mind that Dudayev has recovered from the shock. He took advantage of the truce to regroup and equip his forces with weapons. He is acting audaciously again. He is conducting a purge among his minions. He is trampling everyone else under foot and will cling to power tenaciously. I think he has plans for a counteroffensive against the federal forces.

We should not pin too many hopes either on resolving the conflict by parliamentary means, through elections. There are people here who have the people's support. But it may be that Dudayev will not surrender power to them. He will spill more Chechen blood, but he will be bent on the presidency. There will be impartial observers at the polling places, but gunmen will emerge from the forests and monitor every voter. There are not only many of them in Shali, Vedeno, or Shatoy at the moment, but in Groznyy itself there are just as many of them as there are federal troops. It is not clear why the Russian president's representatives are turning a blind eye to this. Only the servicemen are expressing concern, but I do not think Moscow wants to listen. It should.

Only the federal forces can now protect the Chechen people against the Dudayevist mafia. And only Russia can save Chechnya from total ruin and destruction. As long as the center does not make concessions to the bandits and does not drop us to please them. Only with Russia can Chechnya be regenerated and emerge from the darkness into which the fascist, antipopular regime plunged it.

Politics and Nationalism

Argun Events 'Severely Damaged Dudayev's Image'

MM2208195695 Moscow IZVESTIYA in Russian 23 Aug 95 p 1

[Article by Kirill Svetitskiy: "Argun: Psychological Blow to Dzhokhar Dudayev"]

[FBIS Translated Text] Recent events in the Chechen city of Argun could have a serious impact on the disposition of political forces in the republic. The first serious defeat for the "implacable" guerrillas subordinate to Dzhokhar Dudayev could sharply increase the prestige of the "moderates" among the local population.

Late in the evening of Sunday 20 August, a group of guerrillas around 200 strong under the command of Alaudi Khamzatov stormed into Argun. They seized the rayon internal affairs department and took police officers hostage. Khamzatov declared himself to be "Dzhokhar Dudayev's representative" and told federal troops "not to interfere in Chechen affairs." Anatoliy Romanov, commander of the group of federal troops in Chechnya; Aslan Maskhadov, chief of main staff of the Chechen formations; and Sandor Meszaros, leader of the OSCE mission in Chechnya; demanded several times of the guerrillas that they observe the terms of the agreement and lay down their arms. Khamzatov refused to obey this demand, and at 1600 hours on Monday the federal troop command decided to clear the rayon internal affairs department building and liberate the city from the guerrillas. The operation was successfully completed 22 August. There is now no shooting in the city, and there are federal troop checkpoints on roads in the vicinity.

Alaudi Khamzatov's action has severely damaged Dudayev's image. The Chechen Republic MVD [Ministry of Internal Affairs] has provided the press with biographical details of this field commander. His real name is Supyan and his nickname is "Abrek" [term used for anti-tsar mountain fighters during period of unification of Caucasus to Russia]. He has several convictions. He was first sentenced for malicious hooliganism. Immediately after his release, Khamzatov was again on the wanted list — he killed his mother-in-law, cutting off her head. He is credited with the killing of a mullah in the city of Gudermes. Khamzatov was arrested in Naberezhnyye Chelny while attempting to kill a police officer. After the Dudayev coup, he turned up in Chechnya again, with eight murders to his credit. In the fall of 1994, he organized the kidnapping of the son of the ataman of the Kislyarskiy section of the Terek Cossack Army. According to Chechen Republic MVD data, during the hostilities in Chechnya Khamzatov killed 12 people in Groznyy and also in Vedenskiy and Nozhay-Yurtovskiy Rayons. In the village of Vedeno he personally shot three people, including the brothers Said-Akhmed and Said-Magomed Adizov — well-known Arabists and religious figures in the Muslim world.

It is difficult to exaggerate the propaganda effect of the operation to destroy the Khamzatov gang. On the one hand, the federal authorities can now point a finger at the bandits, demonstrating "the true face of the criminal Dudayev regime" to the population. On the other, the federal troops in Argun were able to make rapid and effective use of force in line with the rational scenario of talks with all sides in full view of the press, followed by a warning to local inhabitants that the operation was about to start, followed by the rapid and effective destruction of the bandit formation. The federal troops have thereby successfully performed the role of defenders of the population against the bandits. Such actions produced a degree of dismay even among the Russian negotiating partners. By midday on 23 August, Movladi Udugov, minister of information in the Dudayev government, and Aslan Maskhadov had been unable to make an official statement about the events in Argun.

Ethnic Council Seeks International Standing

954F3147B Groznyy GROZNENSKIY RABOCHIY in Russian 11-18 Aug 95 No 9, p 1

[Unattributed report: "Ethnic Council Wants To Become an International Organization"]

[FBIS Translated Text] At its meeting in Groznyy, the Ethnic Council of the Chechen republic discussed the sociopolitical situation in the republic. Another subject was the work of all cultural-historic centers, and ethnic representations both in Chechnya and outside it. In this connection, there is a proposal to change the current name to the Union of Ethnic Associations and Communities of Chechnya and reregister as an international sociopolitical organization.

Zorin on Politics, Negotiations in Groznyy

954F3148A Groznyy GROZNENSKIY RABOCHIY in Russian No. 9, 11-18 Aug 95 p 1

[Interview with Vladimir Zorin, first deputy chief of the Territorial Administration, by GROZNENSKIY RABOCHIY correspondent L. Turpalov; place and date not given: "V. Zorin: Chechnya's Political Landscape Consists of Mountain Ridges and Canyons"]

[FBIS Translated Text] Fate had placed Vladimir Yuryevich Zorin into different regions of our former immense motherland. He was born in Vinnitsa in a military pilot family. Grew up in the Orenburg area. Worked as a teacher of history, in party and soviet organs. Likes to talk to journalists. Probably because at times he has worked as a rayon newspaper correspondent.

As first deputy of the Territorial Administration of the federal organs of executive authority, he does a lot to restore the republic and to establish peace in Chechnya.

V. Zorin spoke with our correspondent about the peripeteia of negotiations in Groznyy.

[Turpalov] For the past two months the whole world's attention has been focused on the little structure that houses the OCSE mission in Groznyy. Different forces appraise the negotiations differently. Some approve compromise steps; others do not accept them. There are some who believe that D. Dudayev has outwitted both the opposition and Russia and used the negotiations for populist purposes.

[Zorin] The myth of D. Dudayev's great popularity is more of a mass media creation. As Byron used to say: "And fame, even a Bonaparte fame, is the child of newspaper frenzy." Of course, there are a lot of rumors floating around the negotiations process.

We acted on the assumption that all real political forces must participate in the negotiations. There is a certain political force behind Dudayev, even though it may comprise a small percentage of the republic population. Otherwise it would not have taken seven months to disarm him. Ever since I saw the burial at the cemetery near the canning plant, I have had no doubts that bloodshed must be stopped by whatever means. There are no winners in this war—only losers. But since my first day in Chechnya it became clear to me that Dudayev's camp will not agree to a direct contact with us. Too much mutual distrust and irritation have accumulated over these months. Therefore, the question arose, on the one hand, about intermediaries, and on the other, about guarantees for fulfillment of obligations, amnesty, security, and personal freedom.

Our road to these negotiations was very thorny. I regret that many hypocrites have emerged around them. For instance, we frequently hear criticism on the subject of sitting down at the negotiations table with bandits. Especially five days before their final defeat. Seemingly correct. But what is behind those five days of war? New casualties and destruction, this time in mountain villages—the ancient territory of the Chechen people. Any cannon shot today delivers a missile strike at the future of both Chechens and Russians.

Other critics say that negotiations should only be conducted with field commanders who are not tied to Dudayev through personal relations. I have to admit that for a long time I was a prisoner of such illusions. Since 20 March, the territorial administration, the government of national revival, public and religious figures have taken innumerable steps towards this end. None of the field commanders sat down at the negotiations table with us. Nor did they agree to talk to those who are lecturing us today.

Still others maintain that we cannot negotiate with Dudayev's totalitarian regime—it should be finished off. At the same time, they keep saying that federal forces are not acting properly. Saadi used to say that if an arrow came out of the bow, it means that someone let go of the bow-string. There are currently 40,000 soldiers in Chechnya. If even 1 percent of them are not conscientious, this means hundreds of armed people. The blame should be not on the arrow but on whoever let go of the bow-string. Disarmament is impossible without the use of force.

Lastly—History knows many examples when armed formations, having suffered a military defeat, take the road of sabotage and terrorist activities. We heard shooting in Groznyy and other areas every night. Someone must be provoking this shooting, right? The population could not live in this situation for long. That is why I am convinced that negotiations are the only way to settle the conflict. Today it will become clear who truly wants peace, and who is a hypocrite—either in Groznyy or in Moscow.

[Turpalov] It took a great effort to get negotiations going. We hear all the time that there are forces that are not interested in establishing peace. But nobody has named them.

[Zorin] The Koran says about hypocrites: "And when you see them their talk delights you. When they talk, you listen as if their words are cut in stone." People seldom speak openly against ending a war. They act covertly. Do not the contentions that we are conducting negotiations with wrong people serve the same purpose? Or the brutal murder of the Chapanov family? This happened at a very tense point in the negotiations. Look how quickly a rally was organized. But people turned out wiser, and the worst did not happen. Had clashes begun between civilian population and law enforcement forces, not to mention the military, it is hard to tell how it would have ended. The negotiations process would have been interrupted, and the people would be blamed for it.

My opinion is that there are forces who profit from the continuation of the military conflict, and not just financially, but politically too. Among them are criminalized commercial structures and illegal arms traders. But political movements garner their dividends from the war too, especially from the standpoint of upcoming elections. This is the only way one can view the State Duma decision on Naurskiy and Shelkovskiy rayons that came out at the hottest point in the negotiations.

It is clear to a competent person that it is not binding, but the seeds of distrust have been sown.

[Turpalov] Does not U. Imayev's resignation indicate that there are forces supporting a peace settlement even in Dudayev's camp?

[Zorin] By virtue of my participation in the negotiations I cannot give appraisal to the reshuffling of their delegation. I can only say that the delegation in its previous composition worked with a good deal of responsibility. But this does not mean that the attitude to the negotiations and the agreements that have been achieved will be different now. We have not noticed it.

[Turpalov] While the agreement on military issues has been reached relatively easily, with respect to political issues the negotiations are not proceeding this easily. But even in this area, judging by joint communiques, the parties came to an agreement on the question of the need to hold elections. Can they be objective, however, in such a complex situation, when people are still embittered?

[Zorin] On this subject I can only offer a somewhat personal opinion, since this issue will still be a subject of discussion. For instance, who will hold the elections. This will probably become the main point of the political set of issues. I can say unequivocally that all political forces must participate both in the process of holding the elections, and elections themselves. Chechnya is a mountain country, and this applies equally to its political landscape. It has peaks called Avturkhanov, Zavgayev, Khadzhiev, Khasbulatov, Dudayev, Magomadov, and Umkhayev. I could name more. These are the realities of our political life. Which of these peaks is the highest only the elections will tell.

Of course, the situation can influence the outcome of the elections. Many people may cast their vote not on the basis of political consideration but out of spite, out of a feeling of revenge for destroyed homes and killed relatives. But politics has touched everyone in Chechnya today. The people learned their lesson, bitter as it was.

Perhaps elections could be held off for a while, but this would require a concurrence of all parties to the negotiations. The whole tragedy, however, is that nobody has yet asked the people what they really want.

[Turpalov] If for some reason an agreement on the political set of issues cannot be reached, what awaits Chechnya?

[Zorin] I am superstitious when it comes to questions of war and peace. Therefore, I will not venture a prediction. But I am very optimistic.

[Turpalov] The last question. The press is frequently criticized and blamed for all the ills in the society. How do you appraise the role of the mass media in the current processes in Chechnya?

[Zorin] Yes, there are a lot of people eager to berate the press. I also have quite a few gripes regarding the local press—both on contents and form. Of course, I understand that there are objective reasons for it. The mass media took a tremendous beating, both in this war and under the old regime. Second, creative people are prone to get emotional, and when they encounter shortcomings, outrage (and they see it often), they react more acutely. This does not always help in the process of peaceful conflict resolution and restoration of the republic. In my opinion, journalists should think twice about what they take to the audience. There is a saying that you can say "halva" a hundred times but it will not make a sweet taste in your mouth. But you say a frightening word once, and it will leave a long-lasting bitter taste. Very often, however, politicians and bureaucrats put the mass media in a difficult situation by refusing to communicate with journalists, treat them as partners. Too many are eager to lecture, sensor, and correct journalists.

Effects on Chechen Community

Rebirth Government Discusses Utilities in Chechnya

LD2208204495 Moscow ITAR-TASS World Service in Russian 1100 GMT 22 Aug 95

[FBIS Translated Text] Moscow, 22 Aug (ITAR-TASS) — A news bulletin from the Government's Information Department reached ITAR-TASS today. It reads as follows:

"According to a report from the press centre of the federal executive power bodies' territorial directorate, a regular session of the Chechen Government of National Rebirth has been held in Groznyy. The Government discussed questions connected with providing the population with water, gas, electricity, and heating.

"It was noted at the session that the Goyta intake has already been fully restored and is now operative. The whole of Oktyabrskiy district, in southern Groznyy, will now be regularly supplied with drinking water.

"There was a special slot in the agenda for the problem of rebuilding housing, social, and cultural amenities, and agro-industrial complex buildings in rural areas. This problem, according to Kerim Saltakhanov, vice premier of the Chechen Republican government, is a very serious one which requires urgent review and effective measures.

"A lot of work is already being done. Today, 18 territorial agro-industrial building teams have been brought in to carry out a program to rebuild the economy and the social sphere in the countryside. Since rebuilding began, construction work costing 125.4 billion rubles has been carried out. Of the over 30,000 homes that were destroyed in villages during the fighting, 3,663 with slight or average destruction have been rebuilt. Work is proceeding on 10 of the 50 buildings in the health services that need to be rebuilt.

"However, the rate of rebuilding work in the countryside is not meeting requirements. According to K. Saltakhanov, it all boils down to a lack of funds. He believes that if the Finance Ministry could advance the 'Rosagropromstroy' corporation the unused sum of 276.6 billion rubles, this would substantially stabilize the work of builders in the rural areas."

Construction Aid for Groznyy Pilfered

954F3147A Groznyy GROZNENSKIY RABOCHIY in Russian 11-18 Aug 95 No 9, p 1

[Report by the press service of the Territorial Administration of the Russian Federation Federal Organs of Executive Authority in the Chechen Republic: "Construction Materials Intended for Groznyy Are Being Pilfered"]

[FBIS Translated Text] Many documents adopted by the president and the Government of the Russian Federation emphasize the special importance and urgency of fulfilling on time the program for restoration of the Chechen Republic's economy and social sphere. More than 5 trillion rubles have been allocated for this purpose. Many Russian regions are sending construction materials, which they themselves need very much, to the wrecked republic.

Nevertheless, the repairs of housing and life-support systems get stymied precisely because of the shortage of construction materials. What happens to the huge quantities of construction materials sent to Chechnya? To put it straight—they are being pilfered and stolen by everybody along the chain: suppliers, transportation agents, and those in charge of storage and distribution. Only a small part of what is listed in the documents actually gets to construction sites.

Especially hard hit by profit-seekers are construction materials coming along the lines of humanitarian aid. In the trucks that brought humanitarian aid from Voronezh Oblast, 3,500 rolls of imported wallpaper were missing. State enterprise Mordovkommunservis failed to deliver large quantities of various paints. A truck convoy from Vladimir Oblast "lost" one-third of its window glass crates. Saratov sent considerably less linoleum than shown in the bill of lading. In the opinion of people who have been knocking on doors of the Chechengrazhdanstroy association's warehouse for weeks, hoping to get here cement, glass, or window frames to repair their wrecked homes, people here also help themselves to the humanitarian aid. Record-keeping of arrival and distribution of construction materials deliberately is not being done here.

Materials purchased by the Russian Ministry of Construction in different regions are also stolen. The Krasnodar commercial organization BAK, in keeping with the contract with the Russian Ministry of Construction, sent a truck convoy with construction materials to Groznyy. In doing this, however, they failed to ship R1.225 billion worth of millwork, polyethylene, and various paints. There were R450 million worth of missing imported wallpaper alone. What is worse, the quality of items shipped is outrageously bad. Millwork is rotten; many door frames lack panels; windows have no frames. Thirty tonnes of bustilate are unusable because of the long-expired sale date; pipes (hundreds of tonnes) are rusted through. They scraped up all their substandard materials and sent them to Chechnya. Hoping that everything would pass in the commotion. And charged sky-high prices for it—twice the going market price. In short, profiting from people's troubles.

ITAR-TASS Carries Press Review for 23 Aug

LD2308132295 Moscow ITAR-TASS in English 1320 GMT 23 Aug 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, August 23 (Itar-Tass) — Leading Russian newspapers continue to centre on events in and around the Chechen Republic. They inform in detail their readers of events in Argun, a suburb of the Chechen capital Groznyy, where Dudayev's rebels captured the local police department on Sunday and then were driven out by federal forces.

The ROSSIYSKAYA GAZETA newspaper carries an article on this event under the headline "Dudayev honours criminals". The daily, referring to reliable sources, notes that "Dudayev's scheme was as follows: if the adventure with the capture of Argun had succeeded, it would have entailed a series of similar actions".

The KOMSOMOLSKAYA PRAVDA newspaper, continuing the topic "Argun conflict", writes: "Federal troops, on carrying out an operation to destroy rebels in the Chechen town of Argun on Monday evening, liquidated an abscess which, as many believe in Chechnya, could sharply aggravate the situation in that republic as well as the course of the peace talks".

Yugoslavia is another bleeding wound in the world. But what was the cause for the tragedy, where to look for reasons of the civil war and what will its results be from the viewpoint of the military-strategic sitution in Europe?

Replying to these and many other questions to ROSSIYSKAYA GAZETA in the interview "Balkan scenario for Russia?", member of the Russian President's Council Vladimir Volkov who is also director of the Institute of Slavic and Balkan Studies, discloses undercurrents of events. The economic genocide of Serbia is well in progress now. Its aim is to establish permanent presence of NATO temporary forces in Croatia and Bosnia and to change the geopolitical situation in Europe by force in the interests of the North Atlanic bloc.

The "double-standard" policy pursued by the West on the Balkans also represents a serious danger for Russia and countries of the Commonwealth of Independent States. Western countries already actively oppose integration of CIS states, but support any separatist aspirations.

Under the title "While celebrating jubilees on nationwide scale, we are duty-bound to give the same scope to veteran protection programmes", the army newspaper KRASNAYA ZVEZDA front-pages an article, examining in detail questions of rendering aid to war veterans and people equated to them.

The daily notes that "attention will also be given to veterans, coming from the Russian hinterland to settle their urgent problems. A centre for rendering social assistance will function at the Moscow House of Veterans of War and Armed Forces".

Time is slowly but steadily moving towards the elections, and the heat of election struggle is gradually rising.

Under the heading "Elections-95", the ROSSIYSKIYE VESTI newspaper describes Petersburg democrats offering an example of unity and Siberian national patriots staking on old Communist Party personnel.

The same daily runs a series of articles under the general headline "100 years of movies", timed to coincide with the coming Film Day marked on August 27. They describe the secret of "soap operas" success as well as the stories of famous Russian film makers as Nikita Mikhalkov and Sergey Solovyev.

'Home-Made' TNT Bomb Defused Next to U.S. Embassy

MK2308075695 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 23 Aug 95 p 1

[Unattributed report: "Bomb Found Outside American Embassy Building"]

[FBIS Translated Text] A home-made explosive device was found next to the U.S. Embassy on Sadovoye Koltso about 1000 yesterday.

MOSKOVSKIY KOMSOMOLETS was told at militia station No. 122 that the bomb was wrapped in a polyethylene bag placed against the wall of a building next to the embassy (it houses the embassy's commercial office). The office guards looked inside the bag and called the militia at once. Pedestrian traffic on Sadovoye Koltso was stopped. They even decided to evacuate the tenants of the building near which the explosive was found.

At about 1200 counterintelligence officers arrived and destroyed the explosive device using a special gun. It was established that the bomb consisted of part of a TNT demolition block, a firing mechanism, and a timer. The power of the explosion of such a device corresponds to 25 grams of TNT and would not have led to serious consequences. The very fact of finding the explosive outside the U.S. Embassy, however, prompts the most serious reflections.

Presidential Envoy Zotov Continues Balkan Tour

Meets Bosnia's Izetbegovic

LD2308084195 Moscow ITAR-TASS in English 0812 GMT 23 Aug 95

[By Ivan Ivanov]

[FBIS Transcribed Text] BELGRADE, August 23 (Itar-Tass) — Russian presidential envoy in former Yugoslavia Aleksandr Zotov held talks with the leader of Bosnian Moslems Alija Izetbegovic in Sarajevo on Tuesday [22 August].

However, it was not the talks that were in the limelight, but the fact that the Russian envoy managed to arrive at the Moslem-controlled area of Sarajevo unhurt. The Russian diplomat came by the same highway where four days ago three members of a U.S. delegation were killed, who intended to hold consultations with the Moslem leadership on final settlement of the Balkan crisis.

Serb diplomatic circles regard the Russian envoy's refusal to go from Belgrade to the Moslem controlled area of Sarajevo through the territory controlled by the Bosnian Serbs under conditions of full security, as had been guaranteed by the leader of the Serb republic Radovan Karadzic and army commander Ratko Mladic, as a demonstrative step taken to show Russia's apparently equal attitude to all warring sides in Bosnia.

According to an official report made by Sarajevo radio, during the meeting Zotov and Izetbegovic discussed important international peace initiatives for the settlement of the crisis. Izetbegovic pointed out that the road of the talks suggests Russia's active involvement in the negotiating process.

Izetbegovic declared that a proposal made by the United States in its plan for the Balkan settlement suggesting an exchange the East-Bosnian Moslem enclave of Gorazde shall not be the subject of the "sell-off". [sentence as received] For his part, Zotov noted that the Russian Federation as a multinational and multi-confessional state can understand Bosnia's problems.

However, the attitude of Belgrade's diplomatic circles to Zotov's visits to Zagreb, Sarajevo, Pale and Belgrade is by no means positive. Local observers believe that his visit, which took place following the tragic death of U.S. representative in the "Contact Group" Robert Frasure on Ingman hill, is in fact, the result of Washington's influence on Moscow.

Since Russia's recent proposals for the settlement are yet "an adapted summary" of a concrete plan for the Bosnian settlement suggested by the United States, Zotov's activities and talks with the Serbian President Slobodan Milosevic scheduled for Thursday are no other than a continuation of policies of the U.S. Administration which intends to play a decisive role on the Balkans in the next few weeks, until the presidential race begins in the United States. The U.S. Administration is planning to put an end to the Bosnian war before winter begins, in fact, at the detriment to the interests of the Bosnian and Krajina Serbs, so as to take advantage of this "victory" in Bill Clinton's presidential campaign.

The new American initiatives, covertly supported by Russia so far, suggest "peace re-integration" into Croatia with the help of its army of the Eastern part of the republic of Serb Krajina bordering on the Union Republic of Yugoslavia — Eastern Slavonia, Baranja and Western Srem.

To Consult With Serbia's Milosevic

LD2308112195 Moscow ITAR-TASS in English 1048 GMT 23 Aug 95

[By Andrey Naryshkin]

[FBIS Transcribed Text] ZAGREB, August 23 (Itar-Tass) — Russian president's envoy in Yugoslavia Aleksandr Zotov will return to Zagreb from Sarajevo on Wednesday afternoon and right away leave for Belgrade for talks with the Serbian President Slobodan Milosevic, Itar-Tass learned from well-informed diplomatic sources.

On Tuesday, Zotov held talks with the leader of Bosnian Moslems Alija Izetbegovic. Izetbegovic was quoted by Sarajevo radio as saying upon completion of the talks that "in order to reach political settlement, Russia's active assistance is needed."

For unknown reasons, the Russian diplomat has failed to meet the leadership of the Bosnian Serbs as had been scheduled. However, it is not ruled out that a representative from Pale intends to meet the Russian envoy in Belgrade.

Frasure Death May Delay Bosnia Contact Group Meeting

LD2208170195 Moscow INTERFAX in English 1523 GMT 22 Aug 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Aug 22 (Interfax) — The meeting of the Contact Group for Bosnia on the level of directors of political departments under the foreign ministries of Russia, the U.S., Great Britain, France and Germany, planned to take place in Geneva this week, may be postponed.

The reason for the possible delay is the tragic death near Sarajevo of U.S. representative to the international Contact Group, Robert Frasure, whose body will be buried in Washington Wednesday, a high-ranking Russian diplomat told Interfax in Moscow today.

The diplomat said that after the funeral, U.S. Under-Secretary of State Richard Holbrooke would brief U.S. colleagues in the Contact Group on the results of his visit to the conflict zone.

The same source said Moscow was now deciding who will represent Russia at the funeral and the briefing. The diplomat said Russian Special Envoy to the Contact Group Aleksandr Zotov could not come to Washington on time for technical reasons: he is now in the Balkans. The diplomat said Russia was likely to be represented by a high-ranking diplomat from the Russian Embassy in the U.S.

Spokesman on U.S. Bosnia Plan, Belgrade Sanctions

LD2208164595 Moscow INTERFAX in English 1523 GMT 22 Aug 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Aug 22 (Interfax) — The Russian Foreign Ministry's spokesman Mikhail Demurin denied the allegations that the activity of the Russian-Yugoslav inter-government committee on trade, economic and scientific-and-technical cooperation, started in Moscow today, is extraordinary and proves Russia's intention to force its one-sided exit from the regime of international sanctions against Belgrade.

"Such a meeting has been planned long ago and is held under the committee's schedule," Demurin told a briefing in Moscow today.

Demurin said the key purpose of the committee's meeting was to set preconditions for relaunching development of bilateral cooperation immediately after a decision on suspending the sanctions was made on a joint basis. He stressed that Russia gave unconditional priority to a joint decision on the problem.

Demurin said the examination of the legal basis of bilateral relations topped the committee's agenda.

"Such work does not run counter to the strategy for settling the crisis in the former Yugoslavia adopted by the international community. On the contrary, it is in line with the evolving common realization of the necessity for encouraging the Yugoslav leadership's constructive policy for settlement of the conflict," Demurin said.

Demurin said that Russia would like to see a major turn for the better in settling the Yugoslav crisis already this autumn.

Asked about the American settlement plan for Bosnia Mikhail Demurin said at a briefing in Moscow on Tuesday that for Moscow the response of conflicting parties was most important, and not the plan's authorship.

Demurin said that although Russia's ideas were included in the contact group's plan proposed by the United States, Moscow was going to press for its own proposals.

Demurin said that the contact group's plan contained Russian proposals for ensuring "the equal rights of the peoples of Bosnia-Herzegovina on the principles of federalism". The plan also says that Belgrade must be encouraged, something Moscow has long insisted on.

As he commented on the conditions of the peace plan proposed by the Bosnian Muslim leader Alia Izetbegovic, Demurin said the parties to the conflict came out with additional conditions at every settlement stage.

"The plan the United States has articulated is in the first place aimed at achieving a compromise. In reality this means that far from all expectations or requests of the rival factions will be met. The most important thing is that this plan is mutually acceptable an realistic", Demurin said.

He described as futile and unpredictable attempts to settle the Yugoslav crisis from the position of strength and he called on the people of former Yugoslavia to display the courage and bring about a political settlement.

Demurin confirmed that Russia sustained heavy losses from economic sanctions against Belgrade. "Other countries suffer such losses, too. This is the reason why Moscow believes that the collective lifting of these sanctions would be the best way out. This point of view has met with growing support", Demurin said.

He also expressed the hope that the contact group would urge the UN Security Council to make an appropriate decision.

Talks on Aid, Cooperation With Yugoslavia Open

MK2208123095 Moscow SEGODNYA in Russian 22 Aug 95 p 2

[Report by Andrey Baranovskiy: "Sitting of Russia-Yugoslavia Committee on Trade and Economic Relations Begins in Moscow. Russia Will Provide Humanitarian Aid to the FRY in the Fall and Winter"]

[FBIS Translated Text] Yesterday, the first sitting of the committee on trade, economic, and technological cooperation between Russia and Yugoslavia opened in Moscow's President Hotel. Andrey Shapovalyants, chairman of the Russian side of the committee and deputy economy minister, said that the commission is looking for a mechanism that will make it possible to give Yugoslavia humanitarian aide in the fall and winter. Also under consideration is a package of framework terms making it possible, right after the lifting of sanctions against the FRY [Federal Republic of Yugoslavia], to restore fully the former economic relations between Russia and Yugoslavia. The FRY, according to Yugoslav experts' estimates, is losing $7 billion dollars every year because of the sanctions. Yesterday's sitting discussed the rules and legal base regulating relations between the two countries in market conditions. At today's sitting of the committee, 12 working groups will meet: on gas, oil, transport and communications, timber, banking and financial questions, military-technical cooperation, and so on.

Soskovets Directs Study of Gas Supplies to Yugoslavia

LD2308110595 Moscow ITAR-TASS in English 1003 GMT 23 Aug 95

[FBIS Transcribed Text] MOSCOW, August 23 (Itar-Tass) — First Deputy Prime Minister Oleg Soskovets has instructed the Russian Fuel and Energy Ministry and the Russian Ministry for Foreign Economic Relations to work out proposals on gas supplies to Yugoslavia for humanitarian purposes.

A representative of Soskovets' press service told Itar-Tass that Soskovets had adopted this decision following talks with the Yugoslav Trade Minister Djordje Siradovic in Moscow on Wednesday.

The Russian Foreign Ministry has been instructed to submit corresponding proposals to the International Committee for sanctions. Apart from that, Soskovets has asked the Ministry for Emergency Situations to consider a possibility of delivering 5,000 tons of mazut and diesel fuel to Yugoslavia for humanitarian purposes.

For his part, Siradovic said that 200,000 refugees had been registered in the Union Republic of Yugoslavia following a military operation carried out by the Croatian Armed Forces in Serb Krajina. Siradovic stressed that it was necessary to lift sanctions against Yugoslavia as soon as possible. The Yugoslav minister said that he was prepared to sign a protocol on the sale of two million tons of wheat and one million tons of maize to Russia. He pointed out that the Union Republic of Yugoslavia was interested in signing a long-term agreement on oil supplies from Russia.

Siradovic pointed out that a number of countries violate an arms embargo against Croatia and the Bosnian Moslems, which he described as a policy of double standards towards Yugoslavia.

Iraqi Envoy Comments on Ties With Jordan, Sanctions

LD2208152195 Moscow ITAR-TASS World Service in Russian 1135 GMT 22 Aug 95

[By diplomatic correspondent Andrey Kulikov]

[FBIS Translated Text] Moscow, 22 Aug (ITAR-TASS) — The flight of Iraqi President Saddam Husayn's relatives to Jordan will not lead to a worsening of relations between the two countries, Iraqi Ambassador to Russia Hasan Fahmi Jum'ah said today at a news conference. According to him, Iraq will continue to build its relations with Jordan on the basis of strong historical links to the Hashemite kingdom.

The Iraqi leadership, the diplomat said, possesses precise information showing that the Iraqi president's daughters were taken out of the country against their will. The husbands had told their wives that they were to travel with them on a visit to Bulgaria, and not Jordan. "We are now doing everything to bring our president's daughters home." The ambassador also said that Husayn Kamil, who had led the country's military-industrial complex, had contacts with CIA representatives shortly before his flight.

Commenting on the economic sanctions against Iraq, the diplomat said his country has "always been open to UN experts and has already fully axed its military programs in the field of nuclear weapons." The embargo is doing colossal damage to Iraq, which is not able to sell its oil or acquire food and medicine because of the shortage of funds. The ambassador said that more than 13,000 childern die each month in Iraq from hunger and illness.

Claims Iraq Not An 'Aggressor'

LD2208170095 Moscow INTERFAX in English 1523 GMT 22 Aug 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Aug 22 (Interfax) — More than 750,000 Iraqis have died as a result of the international blockade, the Iraqi ambassador to Russia Hasan Fahmi Jum'ah has said. Ambassador Jum'ah told a news conference in Moscow that other countries, including Russia, were affected by the economic sanctions, too. Russia alone sustained direct losses estimated at $43 billion.

He said that Iraq was unable to pay the $7-billion debt to Russia. "Apart from that the recently signed Iraqi-Russian oil and trade contracts more than $20 billion worth are suspended, too", ambassador Jumaa explained.

He described Russia's position aimed at lifting sanctions from Baghdad as evidence of the strategic farsightedness of the Russian leadership and a confirmation that Russia remained a great power having a major say in world affairs.

Ambassador Jum'ah dismissed rumors of an Iraqi threat to Jordan. "This is a falsehood launched by the United States in a bid to keep the sanctions against Baghdad in effect," he said.

The Iraqi ambassador to Russia said that his country was linked with fraternal Jordan by a normal relationship.

Earlier some mass media said that Baghdad might go to war with Jordan for its reluctance to extradite the former minister of industry and mineral resources, director of the military industry department Husayn Kamil Hasan, who fled to Jordan early this month with the family of President Husayn's son-in-law.

Ambassador Jum'ah said that Iraq sought to secure the return not of a disloyal minister, but of the daughters of President Saddam Husayn, who, according to confirmed reports, were taken out of Iraq by force on the pretext of visiting Bulgaria.

The Iraqi diplomat recalled that the Jordanian parliament said recently Jordan would not become a headquarters of anti-Iraqi activity.

"Washington has been using every chance to destabilize the situation in Iraq and to make it confront with the United States or any other country", ambassador Jum'ah said.

He said Baghdad was aware of that and would never yield to provocations. "Iraq has never been an aggressor and would never be one", ambassador Jum'ah promised.

Concern Over Sale of Radioactive Trucks From Chernobyl

MM2208160095 Moscow TRUD in Russian 23 Aug 95 p 1

[Report by Vitaliy Golovachev and Yuriy Dmitriyev under the "Alarm Signal:" "Radioactive Truck"]

[FBIS Translated Text] The editorial office has learned from sources close to the Russian Federal Security Service [FSB] that trucks contaminated with radioactive substances are disappearing from the Chernobyl region and heading for various parts of the CIS. Thus 10 "ZIL-131" trucks vanished recently (clearly they were sold) from the contaminated zone, from a special truck depot in the population center of Rossokha belonging to the "Pripyat" science and production association. Two trucks went to Lugansk Oblast, one to Zaporozhye, and the rest to unknown destinations — possibly Belarus or Russia....

We don't how it struck the FSB, but this meager information evoked not only great alarm but a multitude of questions among us journalists. Were the vehicles effectively decontaminated? If so, how much radioactivity remains? Where are these trucks now, with their terrible echo of the Chernobyl tragedy? Did Ministry of Atomic Energy experts know of these deals? And, more generally, what need is there to purchase radioactive "ZIL" trucks when brand new ones straight from the production line are standing in the yard of the Moscow truck plant?

Our first call was to the Ministry of Atomic Energy. People there know nothing of the purchase of radioactive trucks. Incidentally, in many cases metal that has received a "dose" of radiation remains radioactive for decades. So before concluding whether or not a truck is dangerous, you need to study it carefully. "At any rate," we were told at the Ministry of Atomic Energy, "you should advise the purchasers of these "ZIL" trucks to go to the local public health center so specialists can carry out a radiation check...."

Our second call was to the director of the "Pripyat" science and production association, where the ill-fated trucks were actually based. We asked: "Who sold the "ZIL's" and how dangerous are they?" Director Sergey Viktorovich Kazakov replied as follows:

"The trucks have undergone decontamination and are not dangerous. The decision to sell was made at the top. A small enterprise actually sold the trucks. As for radioactivity, according to our norms everything was fine. However, the purchaser applied tougher standards, so he noted a slightly high level. In this connection we were checked by the prosecutor's office, but it found no violations. So there are no grounds for concern, still less panic...."

So everything is fine and we can regard the issue as closed? We think we should be in no hurry to do this. So the level of radioactivity on the truck was high, albeit according to tougher standards? What about the other vehicles? The first necessity is to find al the trucks and conduct radiation measurements with the help of independent experts. And only then will it be possible to draw conclusions....

One question still remains: For the sake of a dubious economy is it worth buying radioactive "ZIL" trucks from Pripyat, thereby risking the health of many people? In short, there is a great deal that has yet to be clarified.

Chernomyrdin Role in Foreign Policy Viewed

MK2108092295 Moscow SEGODNYA in Russian 18 Aug 95 p 9

[Report by Vladimir Abarinov under the "Leaders" rubric: "Viktor Chernomyrdin and Russian Diplomacy. Leader of the 'Party of Power' Can Resolve Sensitive Matters"]

[FBIS Translated Text] There have been few reports about the head of government's activity in foreign policy. Public attention has been focused on sensational and scandalous plots. The Russian premier, however, appears to be engaged in routine matters. Recently, however, there emerged reasons to see Viktor Chernomyrdin as a fully independent figure in international relations. And, presumably, the election campaign of "Russia Is Our Home" will still spring surprises on Smolenskaya Square [Foreign Ministry].

When Boris Yeltsin said that he would hand the question of building a nuclear power plant in Iran over to the Gore-Chernomyrdin commission, the Russian premier was unlikely to have been delighted by the present. He probably recalled at once the brain-twisting problem of the Russian-Indian rocket contract he also had to sort out. Moscow said at the time that it would not back away from its contract obligations, would not be lead by Washington, and would stand by its national interests to the end. Chernomyrdin did not say anything. But some time later it turned out that political tensions caused by the problem were removed. The contract, meanwhile, was adjusted.

One may describe this outcome as a unilateral concession to the accursed imperialists, a national disgrace, a sellout, or an act of sabotage. One may say that the Americans would have had no choice but to swallow the pill anyway — they wouldn't declare a war on us over those star-crossed rockets after all! This talk is out of place. One should not make the Americans swallow bitter pills all the time. One ought to reach agreement. A marginal problem may cause the emergence of global problems that would considerably impede Russia's integration into the world economy. Uncertainty over the delivery of rocket boosters to India prevented Russia from formally joining the rocket technologies control regime. The Iranian deal, for its part, prevented Russia from becoming a founding member of an export control regime to be set up in place of the abolished COCOM [Coordinating Committee for Multilateral Export Controls]. Participation in both regimes eliminates a whole range of legal obstacles barring Russian access to American and world markets. Are the critics of "unilateral concessions" aware of the fact that the United States has a law passed in 1992 which calls for economic sanctions to be imposed on a mandatory basis against a country that provides Iraq or Iran assistance in acquiring nuclear technologies? So much for national interests.

The latest session of the Gore-Chernomyrdin commission announced that the question of Russia's joining the rocket technology control and post-COCOM regimes had been resolved. Still, problems relating to the Iranian contract have not yet been fully eliminated and — in certain political conditions — may once again turn into a serious source of irritation. So, it is important not to create such conditions — or, rather, to create conditions conducive to compromise. This is what the co-chairmen are doing. The multi- billion-dollar investment project "Sakhalin-2," which was signed during the latest meeting, is an agreement that is part of a genuine framework of partnership. A sensible politician would not sacrifice agreements of such a scale for the sake of striking a spectacular pose.

Nonetheless, there is a sense that the Iranian problem required an immense effort on Chernomyrdin's part. Evidently, he gave ground on certain matters only after an intense internal struggle. The Americans, for instance, were not satisfied with Moscow's pledge not to sign further arms deals with Iran. They wanted to know the size of the already concluded contracts and to make sure that they do not undermine the situation in the region. Such information was given to Gore's experts. A protocol was added to the contract on building a nuclear power plant under which spent nuclear fuel will be returned to Russia. Finally, the Russian prime minister assured Gore in public that Moscow will not allow Tehran to create its own nuclear weapons under any circumstances. At his news conference the vice president remarked in passing that the dialogue on the Iranian subject allowed the United States to hand over "certain information on a confidential basis that explains in detail the reasons for our concern." This phrase illustrates the degree of confidence achieved by the co-chairmen — the issue is, undoubtedly, intelligence materials. Presumably, this style of work would rule out further unpleasant surprises in the future, such as the much-invoked protocol on the delivery of gas centrifuges to Iran, which was demonstrated by Clinton right during the Moscow summit, putting Yeltsin in a difficult position.

As a matter of fact, it seems that none other than Chernomyrdin made a decisive contribution to the preparation of the Russian-American summit, which remained problematic right until the beginning of April. An INTERFAX report said that upon receiving Strobe Talbott, who arrived in Moscow on a visit, the prime minister "dwelled in detail on the socioeconomic situation in the Russian Federation and the process of restoring constitutional order in Chechnya." What is at issue here is not whether Clinton's visit should have been turned into a political problem at all, but Chernomyrdin's potential to resolve sensitive problems.

Chernomyrdin's first and so far only keynote speech on foreign policy matters is dated last May, when the premier delivered the main report at a meeting of Russian ambassadors to African countries. The speech created a furor, to a certain extent. It contains few details relating specifically to Africa. Its text is universal in nature and is applicable to Russia's relations with any Third World country, for which reason, as far as we know, it was circulated to all Russian embassies. Starting with a statement to the effect that "the continent's political and socioeconomic degradation is fraught with the most serious consequences that will be global in nature," Chernomyrdin called on the diplomats to join in the competition for the African arms market, for the "drawn-out pause" has been exploited by countries manufacturing arms under Russian licenses but of inferior quality. At the same time, the premier noted, dumping is impermissible — just like the preferential loans to which certain African leaders have become accustomed. Chernomyrdin did not formulate any political preferences, but stated that ties should "be fostered once again on a sound economic basis."

It was, perhaps, the first time that the Russian head of government spoke about Russian arms exports in such clear terms. This is precisely how statesmen in arms-manufacturing countries would behave. An American ambassador to any country in the world has no higher priorities than assistance to American arms-making firms.

Chernomyrdin himself is pursuing this strategy with enviable consistency. It is rare that a visit passes without the signing of an agreement on military-technical cooperation. The premier's "African" speech put an end to the hypocritical custom of passing arms deals over in silence. Now they are being discussed even at greater length than they deserve. The only problem is the customer's creditworthiness.

As a rule, Chernomyrdin does not meddle in the Foreign Ministry's jurisdiction or comment on international subjects without a particular need. The idyll is deceiving, however. There have been incidents where the Foreign Ministry and the premier have made mutually exclusive statements. The most typical example is the Caspian shelf problem. There is information, which was published by SEGODNYA some time ago, whereby Kozyrev proposed to Chernomyrdin that economic sanctions be imposed on Azerbaijan unless Baku foregoes its plans to develop oil fields on the Caspian Sea shelf single-handedly. A corresponding draft government decree was drawn up on Smolenskaya Square. Chernomyrdin did quite the opposite: He assured Geydar Aliyev that questions pertaining to "the contract of the century" have been exhausted, something the Azerbaijani leader was swift to announce to the press. Most interestingly, even afterward the Foreign Ministry continued leveling angry philippics at Baku, and a high-ranking diplomat said that Baku's oil contract involves a territorial problem that "does not fall under the executive authority's jurisdiction at all." Presumably, a recent interview by Deputy Foreign Minister Albert Chernyshev in which he favored a Turkish route for transporting Caspian oil was subjected to careful and not unbiased analysis at the premier's office.

There was an incident where he made a spontaneous decision despite the Foreign Ministry's recommendations. Last November, Chernomyrdin canceled his visit to Poland in protest against the beating of Russian citizens at the Warsaw railway station. Quite evidently, the incident would have had no such impressive reverberations had it not been for this demarche. The Polish cabinet of ministers called an emergency meeting. Talk began in both capitals on the extraordinary importance of the documents that were to have been signed. Chernomyrdin would not budge. He went to Warsaw only after Polish Foreign Minister Milczewski tendered official apologies to him in Moscow and promised to punish those responsible.

Unveiling the draft program of the "Russia Is Our Home" movement at its second congress, the prime minister did not say a single word on foreign policy. Meanwhile, the document contains a lengthy foreign policy section. No Russian commentators took any interest in it — and wrongly so. This text could send tremors through both neighboring and far-away capitals.

Of course, "Russia has been and will be a great power." Naturally, "one should not allow crisis phenomena related to the development of a new Russian statehood to push Russia away from its leading position in the world community." Besides, Russia "should be ready to defend its vital interests by arms." These are the cornerstones of the proposed doctrine; then follow the priorities, one of which is to restore Russia to its former great-power status.

Had Kozyrev been tasked with editing this text, he would have made the following amendments to it: He would have added, first, "is" to "has been and will be" and, second, that Russia's international status has never been so good. Further reading, however, would make the minister lose heart. The document says that Russian diplomacy "overslept" in East Europe, as a result of which Russian positions there "ended up being undermined;" it "clearly has not worked hard enough" in the east and south, "orienting exclusively toward the West." NATO is drawing closer to Russian borders, the OSCE has not lived up to the hopes placed in it, and Russian positions in the post-Soviet space have been weakened. In short, every alley is a dead end.

In our view, this is too apocalyptic a picture. Campaigning on the eve of elections dictates its strict rules, however. On the whole, one cannot but admit that the diagnosis is formulated better than the recipes.

Perhaps only the passages devoted to the CIS betray the individuality of the person who heads the "party of power." Chernomyrdin is known as an ardent advocate of integration. At a CIS summit in Minsk he acknowledged his nostalgia for the Soviet Union, "for communication and the settlement of problems that have been artificially created." Expressing his assurance that "there will be a Union," he was swift to add that "no one is contemplating encroaching on anybody's sovereignty." Time will tell whether "Russia Is Our Home" will manage to keep up these standards during its election campaign.

Government Welcomes Tajik Peace Agreement

LD2208172495 Moscow INTERFAX in English 1308 GMT 22 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 22 (Interfax) — Russia welcomes the fact that Tajik President Emomali Rakhmonov and the leader of the Tajik opposition. Abdullo Nuri, recently signed a protocol on the main principles for establishing peace and national accord in Tajikistan.

"The Russian Federation describes this as a considerable advance on the road to a political settlement to the Tajik conflict," Russian Foreign Ministry official spokesman Mikhail Demurin told a briefing in Moscow on Tuesday.

The protocol fixes the understanding on extending for six months the agreement on a temporary ceasefire and halting other aggression at the Tajik-Afghan border as well as inside the country.

The document also contains guiding principles for working out an agreement on Tajik settlement at the next round of inter-Tajik talks, which the two sides agreed would begin on September 18, said Demurin.

"Moscow believes that the understandings between the Tajik government and the opposition will be implemented," said Demurin.

Political Issues

Newspaper Comments on Yeltsin's Interview

MM2208153795 Moscow PRAVDA in Russian 22 Aug 95 p 1

[Article by Boris Slavin: "It Is True That the People Were Not Made for the Lash"]

[FBIS Translated Text] On the eve of the fourth anniversary of the August putsch, Boris Yeltsin answered questions put to him by KOMSOMOLSKAYA PRAVDA. From the president's answers you can see that the Russian people are not made for dictatorship and the lash, that in August 1991 people rejected a "power play," that the current authorities are making many mistakes, that time is changing the meaning of the word "democrat," and that, finally, there is still only a little democracy and a lot of corruption in the country.

Reading the president's answers, I am struck by the correctness of many of the assessments and phenomena. It would seem that their causes should also be accurately pointed out. But these are practically not mentioned, unless you count the admission of personal guilt for not explaining to many people the unity of the meaning of democracy and the idea of statehood.

You wonder: Who was a direct participant in the plot in Belovezhskaya Forest which put an end to the Union? Who used "the lash" on the parliamentarians in the "White House" only because the latter had tried to defend the letter and spirit of the law? Who, finally, brought about the Balkanization of Russia by staring a war in Chechnya? The president is right when he says that there will be no order until constitutional values become part of the national self-awareness. But will the creation of a puppet Constitutional Court really help?

The president completely identifies the concept of "democracy" with his own policy, but these are two completely different things, as the people say. That is why, to my mind, attempts to unify, with the help of the congress of democratic forces, the real democrats with their surrogates in the form of "Russia's Choice," the party of the hypocritical ideologue A. Yakovlev, members of "Russia Is Our Home," and others, are futile.

It is in vain that the president is today frightening the press that it could overlook the "real threats." Today these are rooted not in the "has-been" elite, not in the "new left-wingers," but in a policy creating conditions for the social stratification of people into the super-rich and the destitute, the legalization of mafia capital, and a clash between people of various nationalities. I am sure that if all these conditions are kept up, the measures proposed by the president to establish order in the country will not work.

Only a change in the current political line can help the people. And here again we agree with the president, who sees the elections as a possibility of forming an authority which could rule by right and not by tyranny.

Yeltsin Concerned About Official Corruption

LD2208194895 Moscow INTERFAX in English 1747 GMT 22 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 22 (INTERFAX) — Russian President Boris Yeltsin will meet with the Interior Ministry collegium Friday, the Interior Minister told media editors-in-chief in Moscow.

General Anatoliy Kulikov said Yeltsin is concerned about corruption in the police and among government officials and about poor protection of the population.

Kulikov explained that the worst case of corruption was the movement of the Chechen terrorist gang under Shamil Basayev to the town of Budennovsk, Stavropol territory, last June.

"They passed 24 checkpoints and the police did not take a bribe in just two of them. They spent a total of 2 million rubles for the purpose," Kulikov said.

He did not rule out the possibility of more terrorist attacks. Kulikov emphasized that Basayev is not a lone figure. He said that his ministry takes preventative steps and has identified possible objects of terrorist attacks.

Kulikov said that 2,800,000 crimes were registered last year, of which 58 percent were solved. He said that 71 percent of murders are solved.

Yeltsin Signs Law Compensating Radiation Victims

LD2208205195 Moscow ITAR-TASS World Service in Russian 1246 GMT 22 Aug 95

[FBIS Translated Text] Moscow, 22 Aug (ITAR-TASS) — Russian President Boris Yeltsin has signed a federal law "On the social protection of citizens subjected to radiation effects as a result of nuclear tests at the Semipalatinsk testing ground." The law was adopted by the State Duma on 20 July 1995.

The law, among other things, provides for the distribution of benefits and compensation for citizens subjected to the effects of radiation from the disaster at the Chernobyl nuclear power station and nuclear tests at the Semipalatinsk testing ground from 1949 through 1963. The law also provides for children of first and second generation citizens who suffered illness as a result of the effects of radiation on their parents.

Yeltsin Rejects, Signs State Duma Laws

LD2208165295 Moscow ITAR-TASS in English 1420 GMT 22 Aug 95

[FBIS Transcribed Text] MOSCOW, August 22 (ITAR-TASS) — Russian President Boris Yeltsin today rejected a draft federal environment law passed by the State Duma, or the lower house of parliament, on July 19, 1995.

He also did not sign a Duma-passed federal law on state control of the production of ethyl spirit and alcohol and a law on occupational disability welfare.

In his letter to State Duma Chairman Ivan Rybkin the president said those laws did not conform to the Russian constitution and legislation, the presidential press service said.

Yeltsin signed a draft law on amendments to the law on federal 1995 budget.

Rally Protests 1991 'Counterrevolutionary Coup'

MM2208145195 Moscow SOVETSKAYA ROSSIYA in Russian 22 Aug 95 p 2

[Report by Nadezhda Garifullina: "Rally in Theater Square"]

[FBIS Translated Text] "21 August 1991 was a day of high treason" — that is how participants in the united opposition rally held Sunday [20 August] in the capital's Theater Square "described" the events of that tragic and fateful August. Today, four years after the bourgeois counterrevolutionary coup staged then by Boris Yeltsin and his clique with the direct complicity and treachery of Mikhail Gorbachev, the scale of the resultant tragedy appears especially vividly and is thrown into especially sharp relief. Even the loyal mass media together with television cannot now conceal an indisputable fact: The violent destruction of the Soviet Union has led to the impoverishment of 80-90 percent of the population in all the formerly united country's republics. Rivers of blood in an undeclared civil war whose fatal flames have already scorched almost all regions and claimed around 400,000 human lives, the monstrous scale of crime, drug addiction, and prostitution (including political prostitution), which have engulfed the entire "single criminogenic area" — all this is a consequence of August 1991.

In his "celebratory" interview on the fourth anniversary of the "putsch," the "national" president stated that at the time "people rejected the barefaced reliance on force... they refused to carry out sinister orders and directives." That is, he continues to circulate the same August lie although, as the trials in the State Committee for the State of Emergency case and against General Varennikov showed, there were no "sinister orders." A handful of people tried to save a great country and its people, they could not and did not want to shed blood.

October 1993 showed that it was the president who signed a "sinister order," and that there were people to carry it out — and Moscow was drenched in the blood of innocent, unarmed people and the same White House, which in August 1991 had not been threatened by anything, was shot up and burned down on a "sinister order." Double standards, hypocrisy, pharisaism, deception of the people — these are the principles of the current rulers, as a result of which working people have been deprived of all their social gains, a stable, secure life, and confidence in tomorrow. But the people are no longer keeping silent, as in that accursed August, they are rising up in a struggle for their rights. They must take an active part in the elections in order to take advantage of the chance to return power to peaceful workers by parliamentary means. The rally expressed the determination to fight for the restoration of the USSR, socialism, and the power of soviets of working people.

Gaydar Comments on Consolidating Democratic Forces

LD2208174195 Moscow INTERFAX in English 1459 GMT 22 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 22 (INTERFAX) — Commenting on President Boris Yeltsin's Saturday interview with Komsomolskaya Pravda, leader of the Russia's Democratic Choice party Yegor Gaydar said he entirely agreed with his statement on the need to consolidate democratic forces on the eve of parliamentary elections.

Gaydar was speaking in an exclusive interview with INTERFAX.

According to Gaydar, Yeltsin "positively" took his intention to create a single election bloc with the Social Justice Party (leader Aleksandr Yakovlev), Peasants' Party (Yuriy Chernichenko), Military for Democracy association and others.

The official decision on the creation of the bloc is expected to be made Saturday, August 26.

Gaydar positively answered the question whether his meeting with the president had touched on the possibility of uniting with the democratic opposition in the person of Grigoriy Yavlinskiy's Yabloko movement.

"We have always supported constructive cooperation with Yabloko, but its leader's position to this effect is well known," Gaydar said. He underlined that he "categorically disagreed" with some of Yavlinskiy's statements contained in his recent interview with IZVESTIYA.

In this program interview, Yavlinskiy explained why the democrats should not unite before the parliamentary elections, but must do so before the presidential ones. He said the parliamentary elections determined the course only, while the presidential ones determined the whole political system in the country.

In his interview with KOMSOMOLSKAYA PRAVDA, Yeltsin commented on Yavlinskiy's statements saying it put everything "head over heels."

Gaydar stated he agreed with the president who had noted that the future of Russia would depend on what kind of parliament was elected.

Gaydar said he had informed Yeltsin of the impossibility of his party's merging with Viktor Chernomyrdin's Russia Is Our Home. At the same time, he admitted the possibility of an agreement to better distribute their candidates in single-mandate constituencies.

Kolesnikov Appointment to MVD Post Viewed

MM2208143595 Moscow IZVESTIYA in Russian 23 Aug 95 p 1

[Article by Vadim Belykh under the "Cadres" rubric: "On Yegorov Who Has Been Ousted, and Kolesnikov Who Has Been Appointed in His Place"]

[FBIS Translated Text] According to preliminary information obtained by IZVESTIYA from competent sources, Colonel General Mikhail Yegorov, first deputy minister of internal affairs and chief of the Main Administration for Organized Crime, has been relieved of his post and dropped from the staff. Lieutenant General Vladimir Kolesnikov has been appointed first deputy minister of internal affairs.

The reshuffle at the Ministry of Internal Affairs [MVD] came as no surprise. After the events in Budennovsk and the removal of Viktor Yerin, the latter's first deputy was fated to resign.

Mikhail Yegorov rose through all the rungs of the operational ladder. His rise began with the post of deputy chief of the USSR MVD sixth administration. This subunit was set up and headed at that time by the general and scientist Aleksandr Gurov. Later Mikhail Yegorov became chief of the Administration for Organized Crime in the newly created Russian MVD. At the time of the August putsch he went against USSR Internal Affairs Minister Pugo and rose to the defense of the White House with his men. Soon after victory, he assumed the post of Russian Federation first deputy minister of internal affairs, but he did not give up the post of chief of the Main Administration for Organized Crime, turning it into a special elite structure within the MVD. Many people think that Mikhail Yegorov's ultimate goal was to create an entirely separate special service on the basis of his main administration, a kind of Russian version of the FBI.

Now Lt. Gen. Vladimir Kolesnikov, who only recently was head of the Russian Federation MVD Main Criminal Investigations Administration, has been appointed to the post of first deputy minister of internal affairs. In this instance, one professional is replacing another. Vladimir Kolesnikov also began with ordinary operational work, and on his way to the ministerial building on Zhitnaya Street he has seen everything. He enjoys great respect among ordinary detectives. The authorities are also sympathetic toward him. In October 1993 he personally led the combined detachment of criminal investigations staffers which dislodged the rebels from the "Mir" Hotel and City Hall.

Unlike his predecessor, Vladimir Kolesnikov, in the post of deputy minister, will control the entire criminal police service, to which the Main Administration for Organized Crime will belong on equal terms with criminal investigations, the main administration for economic crime, and other subunits. Clearly there will now be no question of exclusivity for the Main Administration for Organized Crime. Kolesnikov's appointment thus opens up the way for not only personnel changes, but structural changes in the MVD.

Incidentally, Vladimir Kolesnikov's new subordinates gave him a good deal of trouble when he was chief of criminal investigations. The Moscow Regional Administration for Organized Crime, together with the capital's Prosecutor's Office and the investigations administration of the Internal Affairs Main Administration, brought criminal proceedings against his deputy, General Igor Shilov. Thanks to the activities of the Main Administration for Organized Crime, Shilov's office and apartment were searched, the general's son ended up in the detention center, and he himself had to sign an agreement not to leave town. Igor Shilov was suspected of illegally keeping weapons and of taking bribes.

At that time Vladimir Kolesnikov came wholeheartedly to his deputy's defense, stating repeatedly that he had no doubt of his uprightness.

Newspaper Sees 'Purge' Taking Place at FSB

MM2208115395 Moscow KOMSOMOLSKAYA PRAVDA in Russian 22 Aug 95

[Article by Igor Chernyak: "Hullabaloo in Country. Only Barsukov Is Keeping Quiet. What Changes Will Occur at FSB Once Its New Chief Has Settled Into Office at Lubyanka?"]

[FBIS Translated Text] The fourth week of Mikhail Barsukov's tenure as chief of the FSB [Federal Security Service] has come to an end. Outwardly little has changed in the life of this renowned department: The director still arrives for work in the morning in a black Mercedes at No. 1/3 and goes up to his office where all the leaders of state security — from Kryuchkov to Stepashin — sat in the past. Like his predecessors, and despite his general's rank, he wears "civvies" and the number of guards has also remained the same. Thus it is, needless to say, too early to draw any conclusions about dramatic changes in the fate of the FSB. Nonetheless some trends do already seem to be emerging.

According to Kremlin sources, after consenting to the move to the FSB, Barsukov received carte-blanche from Yeltsin to reinforce the structure under his jurisdiction and restore — albeit partially — the former might of Russia's state security organs. This is borne out by the general's first moves; he rapidly succeeded in returning the renowned "Alpha" group from the Main Protection Directorate [GUO] to the FSB fold, a group whose mission has always been to combat terrorism rather than guard the state's top man. At the same time, on the sly, Barsukov began gathering other structures scattered around the outskirts as a result of the putschs, the political struggle, and various illusions into a striking force. Thus, according to the same information, in the near future certain subunits of the FAPSI [Federal Government Communications and Information Agency] and the SVR [Foreign Intelligence Service] — which has not been overly active of late — Foreign Counterintelligence Directorate can be expected to join the FSB. In this connection one can foresee a deterioration in relations between the new FSB chief and Andrey Starovoytov and Yevgeniy Primakov, but it is obvious who will tip the balance here.

It is worth noting that during the FSB Collegium session in the "Barvikha" Sanatorium, where Yeltsin introduced Barsukov to his subordinates, it was the activity of not just Sergey Stepashin that came in for harsh criticism (which is natural) but also that of Igor Mezhakov, his deputy in charge of crisis situations — that kind of thing does not go unnoticed. At the same time Yeltsin drew particular attention to the dramatic fall in the level of FSB agent and operational activity, which seems fair: There simply cannot be an effective special service without agents. The evidence of this is Stepashin's promises to find the killers of Dima Kholodov and Aleksandr Men by the New Year and bring Dzhokhar Dudayev to Moscow "in chains," which proved mere idle talk without agents to back up the operations.

Barsukov will hardly mouth off verbose promises: Even in the post of GUO leader he gave virtually no interviews and made no public statements — this tradition will hardly be upset in the future. Behind the scenes his subordinates quote a saying ascribed to their new chief to the effect that all leaders — from Roman emperors to Stalin and Brezhnev — assessed the activity of their special services not on what their leaders said but on their fulfillment of special instructions, the details of which they alone knew — and by no means all of them at that. Hence Barsukov's tough advice to his subordinates to limit all contacts with the press.

Some kind of purge clearly lies in store for the FSB, a purge which has in effect already begun. Admittedly, it is being conducted by the new boss in a leisurely and very cautious fashion without excessive ballyhoo. According to our information, he has already spoken to all the directorate deputies and chiefs, following which some of them went on vacations from which they will most likely return in a different capacity. Interestingly these conversations are taking place in a polite, albeit fairly stern atmosphere.

At the same time Viktor Zorin has been appointed FSB first or, to be more correct, senior first deputy director (prior to this he was chief of the counterintelligence operations directorate). And it is probably not just that this directorate achieved the most significant results, but also that Zorin contrived to win the support of two seemingly opposing figures, namely Viktor Chernomyrdin and Aleksandr Korzhakov.

FSB staffers take another view of Barsukov's appointment in connection with the resolution of the problem of wages, rations, apartments, material and technical support, and so on. The news that at "Barvikha" Yeltsin promised to assist the FSB in this matter instantly flew around the corridors of the Lubyanka.

The fact that on the eve of the elections Barsukov holds the operational-technical directorate, which is able to bug several hundred telephone lines in Moscow and read correspondence, can also be considered of no small importance for the president. Obviously now this information will be placed directly on the head of state's desk, bypassing the intermediaries of Sergey Filatov, who seems to be receding into the background.

Boris Yeltsin seems to have made the right choice in appointing Barsukov — at any rate as far as he himself is concerned. Time will tell whether this choice is the right one for state security organs and for the country as a whole.

Government Seen Buying Agrarian's Support

MK2308091295 Moscow SEGODNYA in Russian 22 Aug 95 p 2

[Report by Elmar Murtazayev: "The Government and the Agrarian Union Have Signed an Agreement. The Agrarians' Loyalty Will Cost the Budget 3.1 Trillion Rubles"]

[FBIS Translated Text] The government and the Agrarian Union signed a cooperation agreement in mid-August, the chairman of the Russian Agrarian Union (RAU) said yesterday [21 August] in an interview with INTERFAX. On behalf of the Cabinet of Ministers and the country's largest association of agricultural producers, it was signed by Deputy Premier Aleksandr Zaveryukha and Union Chairman Vasiliy Starodubtsev, respectively.

According to Starodubtsev, however, this agreement "only defines and develops the mechanism of cooperation" between the government and the RAU. Back on 24 May, Prime Minister Viktor Chernomyrdin signed a government decree on interaction with the RAU, "in pursuit of which the agreement has been concluded." Under this document, the government shall bind itself to ensure the implementation of federal laws and its own resolutions on matters bearing on the agro-industrial complex, the crediting of the latter's seasonal expenditures, advance payment on agricultural products procured for state needs, and also pursuing a protectionist policy with respect to Russia's agricultural producers. The agreement guarantees the peasants "full freedom in choosing economic management forms" and also provides for the extension of 1.3 trillion rubles to the agro-industrial complex this year to acquire on a leasing basis equipment and breeding stock.

For its part the RAU undertakes to organize, jointly with the Russian Federation Agriculture and Food Ministry, supplies of agricultural products for state needs and to participate in effecting land reform and "shaping state agrarian policy."

The signing of the agreement coincided with the introduction of changes into the 1996 draft state budget by the president, which boil down to an increase in expenditures for the support of the agricultural sector by 3.1 trillion rubles. As a result of the amendments, the share of budget funds to be spent on agriculture now amounts to 13.1 trillion rubles (in 1995, 9.4 trillion). The increase in agricultural expenditures was preceded by an attack by the agrarians, who threatened, should the initial financing levels for the agro-industrial complex be preserved, to torpedo the budget during its consideration in the State Duma. Especially active was Mr. Starodubtsev, who described the original variant of the budget as "deadly for the agro-industrial complex." At the same time, members of the Agrarian Party's deputy faction in the State Duma, Deputy Premier Aleksandr Zaveryukha and Agriculture Minister Aleksandr Nazarchuk, were more restrained: They promised "to bring to the president's attention the erroneousness of such an approach to domestic agricultural producers." Apparently the arguments by the two Aleksandrs looked solid enough for the president to revise basic budget parameters.

The impression is that the Agrarian Party people actively involved in the government have become middlemen successfully coordinating the demands of the agrarian lobby (where Starodubtsev plays a far from secondary role) and the government's actual capabilities. The interests of the agrarians during the harvesting season are perfectly clear: state subsidies — as many as possible. The government's concern about the painless approval of the present 1996 state budget parameters is also understandable. The following setup emerges as a result. The government grants the agrarians additional subsidies, and the RAU distributes them (at least one-third of the budgetary funds). The only thing that remains to be done is for the agrarian deputies to vote for the 1996 state budget. What is not known, however, is whether the sum of 3.1 trillion rubles has really satisfied all the claims by the agrarian lobby and whether the government has really gotten off so "cheap."

50 Parties, Movements Join Rybkin's Election Bloc

LD2108133695 Moscow ITAR-TASS in English 1323 GMT 21 Aug 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, August 21 (ITAR-TASS) — Representatives of more than 50 parties, movements and organisations signed an agreement to act in concert as a centre-left alliance in the elections to the State Duma lower house of parliament, the new alliance leader, Ivan Rybkin told journalists at a news conference he held in Moscow today.

Two organisations declined to sign the final document of the conference the new alliance held in Moscow today — the national public movement "Trade Unions of Russia Towards the Elections" and the Russian United Industrial Party. Their leaders Mikhail Shmakov and Vladimir Shcherbakov told the conference that participants in the congresses of their organisations differed on whether or not to team up with Ivan Rybkin alliance, as it is commonly known.

Rybkin told journalists that Mikhail Shmakov and Shcherbakov were going to hold "a round of consultations in their alliances before making the final decision."

Rybkin confirmed that over 50 public movements and organisations opted for joining efforts and delegating representatives to the political council of the centre-left alliance.

Rybkin stressed that the doors to his election bloc were open to any other party or association willing to join. He stressed that "Russia is now in an extreme need of a sober-minded centre, capable of securing two-thirds of votes in the State Duma."

Rybkin noted that the election associations led by Shmakov and Shcherbakov "would stand to gain much if they went along with us."

He told the news conference General Boris Gromov was listed under number two on the alliance's projected federal list of candidates, which will be finalised during the second phase of the founding conference in early September.

Rybkin declined to say in what order the leaders of the alliance's member-parties and movements are listed. He only noted that the list must comprise the names of people whom Russia knows well.

Rybkin did not rule out the possibility of participation in his alliance of representatives of the Agrarian party and called on the agrarians not to "get worked up".

Rybkin said today's conference approved the basic principles of the election alliance which he described as "a bloc of social justice, law and order, creative endeavour and realism."

"We proceed from the assumption that ours must be an alliance which gives priority to the individual with his concerns and needs," Rybkin said.

He stressed that the bloc was set to develop "constructive cooperation with all parties and movements which share its political aims."

Rybkin's Alliance Detailed

LD2208183295 Moscow ITAR-TASS in English 1601 GMT 22 Aug 95

[by Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, August 22 (ITAR-TASS) — The election alliance led by Ivan Rybkin was formally founded on Monday in a process that reminded hard labour and it is likely to run against major problems in the future, observers say.

The Agrarian party which backed the lower house speaker in the previous elections to the State Duma categorically refused to join his centre-left bloc, two other organisations followed suit — the movement "Trade Unions of Russia Towards the Elections" established on the basis of the Russian Federation of Independent Trade Unions and the Russian United Industrial Party led by Vladimir Shcherbakov.

In this way only six of the intended eight founding members of the new election alliance remained, only three of which have real organisational potential — The Russian Youth Union, the movement "The Union of Realists" led by Yuriy Petrov and the association "My Fatherland" with Viktor Mishin at the head.

The latter two organisations were only founded last spring and do not have steady regional structures.

As concerns the trade unions and industrialists, even though Ivan Rybkin declared that the "door is open to them" and they were welcome to his alliance, he sounded unconvinced that unification would be possible. He was also uncertain about the possibility of teaming up with the Agrarian party, the situation within which he described as "alarming."

The main task for the Rybkin election alliance will consist in making up a sufficiently representative list of candidate that would look attractive to voters in time for the second conference which is due to approve the list. Only a number of popular names of the bloc's list of candidates can make the alliance lacking truly influential organisations as its members attractive to the voters.

For the time being, only two names are known — that of Rybkin himself and General Boris Gromov. Rybkin said frankly on Monday that he would seek to enlist the cooperation of personalities well-known in Russia regardless of their affiliation with the alliance's member organisations.

The key problem for the Rybkin bloc, however, will consist not in the absence of influential organisations among its members but the general uncertainty of its place and role in the political arena — it is neither with the government nor with the opposition. In fact, observers say that many potential participants in the alliance were scared off by the readiness of Ivan Rybkin, a former member of the Communist party and an ex-member of the Socialist party of working people and the Agrarian party, to cooperate with powers-to-be.

In any case, the Rybkin election alliance which declared its adherence to centre-left and social-democratic ideas can hardly be called social democratic and still less oppositional.

In the eyes of the voters, the alliance will inevitably appear as a champion of the current government policy, which will entail predictable consequences. As a result, both the movement Russia Is Our Home and the Ivan Rybkin bloc will appeal for support to the same electorate. It is clear now that those who want to back the present government are more likely to cast their ballots in favour of (Prime Minister) Viktor Chernomyrdin's movement.

Nuances are naturally possible. The list of candidates backed by the Rybkin alliance will certainly include people who are much more oppositional-minded than Rybkin himself, which will certainly somewhat "water down" the Duma speaker's pro-Presidential image.

One question remains: will that be enough for the alliance to clear the 5-percent hurdle in the December elections?

Program, Alliance Prospects Viewed

MM2308101195 Moscow ROSSIYSKIYE VESTI in Russian 23 Aug 95 p 2

[Report by Lyubov Tsukanova: "Ivan Rybkin Leaves the Door Open"]

[FBIS Translated Text] "A bloc of social justice, legality, order, realism, and creation" — this, according to the State Duma chairman, is how representatives of the center-left associations within the electoral "Ivan Rybkin's Bloc" — the name on which its founders have insisted — describe themselves. The simplicity of the name indicates that the forces which have decided to join forces in contesting the parliamentary elections are pinning their hopes on the prestige of their leader who, over the past 18 months, has created the image of a calm, sober, and constructively thinking and operating politician. The bloc is counting (possibly with some justification) on the fact that the voters are fed up with "charismatic figures" who inspire, inflame, and promise, but do little else. Ivan Petrovich Rybkin is placing the emphasis first of all on the noble idea of "reform for the individual" (otherwise, he says, the changes will not be of a positive, creative nature), and second, on cooperation between "constructive forces." The idea of cooperation is a sincere idea, and that is why he is so unwilling to answer questions about whether his bloc will be in the opposition. It is possible that not all of his comrades in arms adhere to such a clear-cut line, but Rybkin himself states firmly: "Opposition" is a word that is so watered down and, in the present conditions, has become such small change ("Russia is chockabloc with radicals and members of the opposition"), that it is more reasonable to formulate this otherwise: "We will oppose the government on many issues, but we will **propose** things." In his opinion, the center-left has a "good stock of businesslike people."

A constructive program and constructive people — that, Rybkin believes, is what the country is lacking today. He is categorically opposed to a return to the past, and he seems to be seriously concerned at the current political situation — at a briefing on Monday, the speaker's words frequently expressed alarm which is not usually characteristic of him. Hence the desire, also frequently emphasized, not to split but rather to unify the centrist forces. He is continuing to count on cooperation with the agrarians, and hopes (he may be trying to convince himself) that the Federation of Independent Trade Unions and the Russian United Industrial Party [RUIP] will return to the banner of the center-left bloc.

As for the trade unions, these hopes are most likely futile — Rybkin has admittedly managed to attract several sectoral and independent trade union associations, but he is hardly likely to reach agreement with the "oppositionist" Shmakov now. An alliance with the industrialists is more likely: Arkadiy Volskiy was the initiator of the RUIP joining the Rybkin bloc and he will hardly want to exchange his dramatically hatched and you might say, hammered out, idea for the ambitions of the other RUIP leader Vladimir Shcherbakov. So an addition to "Rybkin's bloc" is possible. Particularly since Ivan Petrovich is constantly emphasizing: The door to the center-left bloc remains open.

Trade Unions, RUIP Denounce Coalition With Rybkin

MK2208095295 Moscow SEGODNYA in Russian 19 Aug 95 p 1

[Report by Viktor Khamrayev: "Ivan Rybkin Has Been Deemed Superfluous in the Rybkin Bloc. The Industrial Party and the Independent Trade Unions Will Apparently Create Their Own Coalitions"]

[FBIS Translated Text] Trade union bosses and industrialists yesterday [18 August] pulled out of the not yet formed bloc of Ivan Rybkin.

A conference of the "Russian Trade Unions, To the Election" movement and a plenary session of the Russian United Industrial Party [RUIP], both held on Friday [18 August], denounced the signatures of their leaders Mikhail Shmakov and Vladimir Shcherbakov under the agreement on creating a center-left coalition with the Duma speaker. Both organizations stated that they would contest the election independently or would create their own, Rybkin-free coalitions.

Back in early May Vladimir Shcherbakov stated that his party saw as its chief rival the Chernomyrdin bloc, which, according to the RUIP, articulates the interests of foreign entrepreneurs, not domestic producers. Mikhail Shmakov for his part said that the trade unions would counter the "right-hand party" ("the culprit" of the ongoing crisis) with "the broadest possible center-left coalition." Therefore, according to the trade union leaders and the industry directors, the main reason for yesterday's "divorce" was Ivan Petrovich [Rybkin]'s unwillingness to place the center-left Accord [Soglasiye] in opposition to Russia Is Our Home.

It needs to be noted that Mikhail Shmakov "held out to the last," trying to steer regional and industry trade union bosses (in the course of discussions closed to the press) away from the idea of an independent campaign for deputies' seats. The defenders of the economic interests of hired labor, however, considered Rybkin's setup to be humiliating, as the Federation of Independent Trade Unions of Russia [FITUR] was to get three places on the central part of the list and one-third on each regional list. Shortly before the decisive conference, they raised the question point-blank with Shmakov. After sizing up the situation, which threatened FITUR with a split on political grounds, Mikhail Shmakov (having rewritten a prepared report overnight) calmed the "regionals" and the "industrialists" with the statement, "The principle of unity is more important for us than any political combination."

To all appearances, however, there is no way the trade unions can avoid "political combinations." First, this is because far from all trade union associations have teamed up with the "Russian Trade Unions, To the Election" bloc. For instance, the trade union of the agro-industrial complex is affiliated with the Agrarian Party of Russia; the educators' trade union and the Ivanovo weavers will vote for Women of Russia; at the local level many primary trade union organizations have already formed blocs: some with the Congress of Russian Communities, others with the Zyuganov Communists, and still others with YABLoko. And second, because the trade unions are interested in an additional inflow of funds to their election campaign purse.

This must be why the conference delegates prudently called yesterday's session the first stage, and they decided to meet for a second stage on 5 September. During this time the trade union bosses intend to complete consultations with the Federation of Commodity Producers, FITUR, the Congress of Russian Communities, the Democratic Party of Russia, Svyatoslav Fedorov's party, the Communist Party of the Russian Federation, and others. The first stage of the conference decided that the consultations should result in an opposition center-left coalition under the "Russian Trade Unions, To the Election" umbrella.

It seems that the RUIP will also resort to political combinations: The party may have ruble funds galore, but it is a little short on popularity and even name recognition at the local level, especially in the back country. Moreover, at the 1993 election the trade unions and Arkadiy Volskiy's Union of Industrialists and Entrepreneurs (cofounder of the present RUIP) fielded the Civic Union bloc, which was supported by a meager 1.5 percent of Russian voters.

As for Ivan Rybkin, his fate will, in all likelihood, be auspicious — owing to our speaker's renowned tolerance.

Trade Unions Not To Join Chernomyrdin's Bloc

LD2208121495 Moscow ITAR-TASS in English 1144 GMT 22 Aug 95

[By Valentin Pavlov and Gennadiy Yezhov]

[FBIS Transcribed Text] Barnaul, August 22 (ITAR-TASS) — A decision by trade unions not to participate in the election bloc of State Duma (Russian parliament lower house) speaker Ivan Rybkin surprised Russian Premier Viktor Chernomyrdin who is also leader of the All-Russian election association Russia Is Our Home (NDR).

This impression was shared by him with reporters here on Tuesday after a meeting with activists of the NDR Altay organisation.

"While the Agrarian Party leaders stated earlier that they will not join the bloc headed by the State Duma speaker, the union leaders suddenly blocked with producers and decided not to participate in the Rybkin bloc," the premier noted.

In Chernomyrdin's opinion, the alliance between unions and the group of Arkadiy Volskiy and Shcherbakov is somewhat illogical, since "employers and their workers have turned to be in the same boat".

"I haven't spoken with trade union leaders as yet. However, I believe that the Rybkin bloc will be established in any case and will be a force at the coming elections to be reckoned with."

The NDR will have in mind also other major political forces, for instance Communists and Agrarians, while building its election strategy and tactics, the NDR leader said.

"As for Agrarians, they represent a certain force in Russia, which is impressive historically, and we shall work with them. However, we should not bear in mind only pronouncements by Agrarian Party leaders."

The premier noted that they "have been treading asphalt pavements not the first year and do not represent yet all Agrarians". "We have something on which to build relations with peasants."

The NDR will not dismiss any major politically important association. "We should build our relations with other parties in such a way as to cooperate and work together. The main thing in this cooperation is struggle for voters so as to form an effectively working State Duma."

Speaking with journalists, the cabinet head pinned great hopes on the Altay territory and other grain-growing regions of Russia in connection with this year's drought in the country's central areas and the Orenburg region.

ITAR-TASS learnt from sources at the government delegation that the Russian government plans to take some measures to speed up harvesting rates and to avoid grain losses.

Chernomyrdin said that a government programme to gasify the Altay territory would be taken in the near future. According to the premier, this can be regarded as an election promise of the NDR bloc.

Cossack Party Not To Ally With Communists

*LD2208172595 Moscow INTERFAX in English
1308 GMT 22 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 22 (INTERFAX) — The movement "For the Revival of the Cossack Community" (RCC) "is prepared to ally with any parties and movements but not with the Communists" in the forthcoming elections to the State Duma, chief of staff of the Cossack Union of Russia and Abroad (CURA) Valery Kamshilov told INTERFAX.

The RCC, headed by CURA Supreme Ataman Viktor Ratiyev, was created in January 1995 and unites 15 million people, Kamshilov said.

He also said that there is already an understanding on cooperation with the movements "Live Ring", "Common Cause", the Federal-Democratic Movement and the Conservative Party of Russia.

"We intend to win seats in a new parliament to protect the interests of the Cossacks and help revive the Cossack community in Russia."

The Cossacks expect to receive at the Duma elections at least 5-7% of votes, he said.

National-Patriotic Forces Party Formed

*LD2208161995 Moscow INTERFAX in English
1345 GMT 22 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 22 (INTERFAX) — An election bloc of Russian national-patriotic forces was formed Tuesday [22 August] at a congress in the Lesnoy Gorodok resort, the Moscow region.

An INTERFAX correspondent reports, the core of the new bloc is the All-Russia Officers' Assembly, the Russian National Assembly and the Russian Association of Industrialists and Entrepreneurs.

The head of the Russian National Assembly, Aleksandr Sterligov, delivered a political report at the congress. He called the Russia Is Our Home bloc headed by Prime Minister Viktor Chernomyrdin the major rival for national-patriotic forces at the upcoming parliament elections. "If national-patriots are united they will be able to defeat the Chernomyrdin bloc," he said.

The fundamental principles of the national-patriots's program are state control over the economy, total employment, state prices on basic foodstuffs and unity of Slavic peoples across Russia, Belarus, Ukraine and Kazakhstan.

Bloc organizers plan to hold the second congress in Moscow on September 8. The congress is expected to approve the bloc's name and a federal list of Duma candidates.

Congress organizers in the Moscow region told INTERFAX that the three leaders of the bloc list are Chairman of the All-Russia Officers' Assembly Vladislav Achalov, leader of the Russian National Assembly, Aleksandr Sterligov, and Chairman of the Association of Industrialists and Entrepreneurs Aleksandr Tizyakov.

Military & Space Issues

Yeltsin's Absence From Air Show Viewed

*MK2308102895 Moscow KOMMERSANT-DAILY
in Russian 23 Aug 95 p 3*

[Report by Veronika Kutsyllo: "President Changes Itinerary. Yeltsin Prefers Office Desk to Aircraft"]

[FBIS Translated Text] The opening of the Second Moscow International Air Show MAKS-95 at Zhukovskiy had everything to it that could be desired: aircraft, helicopters, space satellites, unique equipment of Russian and foreign firms. The air show was honored by the presence of Oleg Soskovets, Pavel Grachev, Sergey Shoygu, journalists invited by the presidential press service, presidential press secretary Sergey Medvedev, and lots of presidential security men, who, as air show personnel said, "had turned everything in Zhukovskiy upside down" the day before. It was only the president himself who was absent from the show.

Boris Yeltsin's absence at the opening of MAKS-95 brought forth several theories in journalistic circles. The first one can be called the "Shannon theory," after a well-known Irish precedent: The air show opened early in the morning and it was easy to oversleep it. What lends credibility to this theory is that members of the presidential security or press services, who arrived in Zhukovskiy in advance, appeared to be unaware of Yeltsin's not coming until the last moment. At least the journalists who rose at an unearthly hour (their bus was leaving from Vasilyevskiy Spusk [outside the Kremlin] at 0600) were informed of Yeltsin's refusal to attend the opening ceremony only upon arriving in Zhukovskiy.

Halting explanations by Sergey Medvedev, Yeltsin's press secretary ("the president has an extremely heavy workload of legislative documents," he "gets many invitations to attend various events, but he cannot participate in all of them"), could satisfy few people. It is somehow hard to believe that presidential services who planned an entry by the head of state with much fanfare and who arrived in Zhukovskiy nearly in full strength had no idea about Boris Yeltsin's "legislative workload" beforehand.

The second theory is close to the first one and it boils down to the suggestion that yesterday morning the president "felt unwell once again." Yeltsin's aides were swift to tell the press, however, that he is "in good health and fine spirits." The "illness" theory was also to have been dispelled by a sharp upsurge in the activity of the presidential press service, which immediately made public a list of documents approved or rejected by Yeltsin yesterday: He signed two bills into law and returned another four to the Duma, including the bill on state regulation of the production of and trade in ethyl spirits and alcoholic beverages (which looks fairly amusing in light of the "Shannon theory").

Yet another suggestion is that Boris Yeltsin changed yesterday's schedule because of the goings-on in Chechnya. According to unofficial reports, a decision was made in the Kremlin to hold a Security Council meeting in the near future, which may finally appoint a plenipotentiary presidential representative to Chechnya. It is well known that Oleg Lobov, who has just returned from his vacation, is tipped as a candidate for the post. As for Arkadiy Volskiy, his chances are becoming increasingly slim: According to an "Ekho Moskvy" radio report (which has not been officially confirmed thus far) Yeltsin "verbally removed" him from the negotiating process in Chechnya.

Be that as it may, on the whole the situation is fully characteristic of Boris Yeltsin: Whatever his aides might be saying, it is he who makes the decisions, while it is not the Kremlin's tradition to give the reasons for these decisions even to the president's closest entourage.

Directives on Stationing ABM, Naval Radios

MM2208131595 Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 14

[Russian Federation Government Directives No. 1040-d, 24 July 1995, Moscow, and No. 1065-d, 29 July 1995, Moscow, signed by Russian Federation Government Chairman V. Chernomyrdin; plus unattributed commentary: "The Strategic Forces' Eyes and Ears"]

[FBIS Translated Text]

Russian Federation Government Directive No. 1040-d, 24 July 1995, Moscow

1. Captain 1st Rank Aleksandr Viktorovich Leonov, senior officer of a directorate of the Navy Main Staff, is appointed Russian Federation plenipotentiary for questions of the siting of 43 Russian Federation Navy radio stations (the Bileyka radio station) on the territory of the Republic of Belarus.

2. The Russian Federation plenipotentiary for questions of the siting of 43 Russian Federation Navy radio stations (the Bileyka radio station) on the territory of the Republic of Belarus is to ensure the examination of questions connected with the fulfillment and application of the 6 January 1995 Agreement Between the Government of the Russian Federation and the Government of the Republic of Belarus on the procedure for the utilization and maintenance of the Bileyka radio station, located on the territory of the Republic of Belarus.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

Russian Federation Government Directive No. 1065-d, 29 July 1995, Moscow

Army General Mikhail Petrovich Kolesnikov, chief of the Russian Federation Armed Forces General Staff and Russian Federation first deputy defense minister, and Colonel General Gennadiy Pavlovich Gichkin, Russian Federation Armed Forces chief of communications and deputy chief of the Russian Federation Armed Forces General Staff, are appointed official representatives of the Russian Federation Government for the examination by the Federal Assembly chambers of the question of ratification of the Agreement Between the Government of the Russian Federation and the Government of the Republic of Belarus on the procedure for the completion of the construction and the utilization and maintenance of the Baranovichi Center of the missile attack warning system, located on the territory of the Republic of Belarus, and the Agreement Between the Government of the Russian Federation and the Government of the Republic of Belarus on the procedure for the utilization and maintenance of the Bileyka radio station, located on the territory of the Republic of Belarus, which were signed in Minsk 6 January 1995.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

Commentary

Evidently many people saw the pictures — sad pictures, for our Armed Forces — of the "controlled explosion" engineered by the Americans which razed to the ground in an instant the huge building of the second phase of the radar station in the Latvian city of Skrunda.

However, even the radar station itself, for whose operation the Russians are paying considerable sums in dollars, is, so to speak, living from hand to mouth.

Yet the principles of antimissile defense (ABM) systems were formulated and enshrined back in the seventies. The basis of the U.S.-Soviet agreement was the mutual conviction that a relatively powerful ABM system covering territories or individual strategic targets could fuel dangerous ambitions toward a nuclear attack. A first nuclear strike, after which the potential aggressor might hope to shelter from retribution behind ABM missiles.

Thus substantial restrictions were laid down as regards the creation and deployment of ABM systems. Furthermore strict restrictions were imposed on the infrastructure too. Thus, missile attack warning stations were supposed to be sited only on the perimeter of national territory.

And that, in fact, is how things stood until the time came when the Soviet Union disintegrated. The prerogatives of a nuclear power, along with all the commitments undertaken in Union times, fell on Russia's shoulders. However, the configuration of our external state borders was clearly changed. Meanwhile, missile attack warning radar stations were still sited on the Soviet perimeter.

That is why the Russian authorities attach particular significance to the agreement on the completion of the construction and the utilization and maintenance of the Baranovichi Center of the missile attack warning system, located on Belarusian territory. In this way the disintegration of the early warning system is, de jure, stopped. And the foundations are thereby laid for a really special relationship between Moscow and Minsk in the military sphere.

Grachev Said To Approve Servicemen's Union

MK2208125895 Moscow SEGODNYA in Russian 22 Aug 95 p 2

[Report by Viktor Khamarayev: "Independent Trade Union of Servicemen Gets Recognition at Defense Ministry. Trade Union To Open Its Insurance Company in September"]

[FBIS Translated Text] The Russian Federation Independent Trade Union of Servicemen has secured directive-based recognition from Defense Minister Pavel Grachev.

The trade union came into being four years ago in order to protect the economic interests of career soldiers and right off sparked complaints and even condemnation from top-ranking commanders. USSR Defense Minister Yevgeniy Shaposhnikov, who is now one of the active members of the trade union, also voiced displeasure.

Your SEGODNYA correspondent was assured in the trade union's press center that the "war" with the country's military and paramilitary departments is over, with the officials having become convinced that the trade union does not undermine in any way the army principle of one-man command.

The trade union bosses found funds for consultations from foreign specialists and have "launched" their own pension fund; saw to it that their operation was recognized as "exemplary" at the "Euromil" European Organization of Military Trade Unions; and have scheduled for this coming 4 September the opening, together with the European Bank for Reconstruction and Development as co-founder, of their own "Printsipal" insurance company. Following all that came recognition at the highest level.

Last week, Pavel Grachev signed a directive in which the defense minister instructed all — from his deputies to commanders of military units and combined units — to "render help and cooperation" to the trade union and he even specified what kind of help: within two months "to designate officials" to collaborate with trade union bosses, "to work out plans for joint work until the year 2000," "to make available premises for housing structural subdivisions of the trade union," "to ensure safe movement along prescribed routes" during visits of foreign guests on the application of trade union leaders," and so on.

The trade union's leadership assesses Pavel Grachev's directive as a sign of the fact that "the army has embarked on the road of democratic transformation." This is especially important on the threshold of the impending elections, where the Independent Trade Union of

Servicemen is running separately from the other trade unions, joining blocs in the provinces "in some places with the Communists, in others with the Liberals, and in still others with Skokov," your SEGODNYA correspondent has been told.

Defense Ministry Official Says Army Going Hungry

LD2308095495

[FBIS Editorial Report] Moscow Russian Television Network in Russian at 1625 GMT on 22 August carries an eight-minute "Details" program interview with Vyacheslav Nikolayevich Savinov, head of the Russian Defense Ministry's central food directorate, by announcer Nikolay Svanidze. Savinov says that "the situation with the financing of food supplies currently taking shape is bringing us to the brink of a critical situation, when there simply will be nothing with which to feed the personnel of the armed forces."

"We are still finishing what our predecessors have left us, the stockpiles", says Savinov. A soldier's daily ration costs 8,185 rubles, "but the Finance Ministry is unfortunately unable currently to find even this money," he says. He goes on, saying "currently we owe almost 700 billion rubles to suppliers — bakeries, meat combines; thousands of people fail to get their wages because we have failed to come up with the money." The debt, he says, has been incurred over the past seven months.

In 1994, the indebtedness amounted to 245 billion rubles, but neither the Finance Ministry nor the State Duma did anything to rectify the situation, he says.

Savinov refuses to be drawn on what the specific ingredients of a soldier's diet ought to be, but says the necessary range of foodstuffs is available, although it leaves something to be desired where the diet of pilots, submarine crews, or students of the Suvorov Military School and the Nakhimov Naval School are concerned.

"It is rare when high-ranking generals (Savinov's epaulets are goldbraided and he has two gold stars) turn to the media, you know that. This means you are desperate," suggests announcer Svanidze.

"Yes," replies Savinov. "Well, I became desperate with that last letter. This was when I turned to an aide in the government, an official who will remain nameless. Well, he says, Vyacheslav Nikolayevich, you write a letter, you know, get the defense minister to sign it, and we, he says, will take it where necessary and we will take appropriate measures because the army has to be fed and everyone is absolutely aware of that. This took place in July, and practically nothing has come of that. Currently, with the needs amounting to almost 1,000 billion rubles, to give 70 billion rubles to the armed forces to feed themselves, you either have to be an altogether irresponsible person or not in full control of the situation. It is this that prompted me to turn to you to use this TV screen directly to appeal to the appropriate government structures and the Finance Ministry: please help the Russian Federation Armed Forces to feed themselves. Soldiers must eat. They are our children, and I insistently ask you to have measures adopted to finance the provision of food. I no longer know who else to turn to."

Savinov says that a deputy defense minister was made aware of what he is doing, but does not name him. Svanidze provides the information that a soldier's daily meat ration is now 200 g; Peter the Great's was 411 g.

Defense Ministry To Support Space Sector

LD2208175595 Moscow ITAR-TASS in English
1619 GMT 22 Aug 95

[Veronika Romanenkova]

[FBIS Transcribed Text] ZHUKOVSKIY, August 22 (ITAR-TASS) — Space is a field where Russia must not lose its priorities, Russian Defence Minister Pavel Grachev said today visiting an international air and space show in Zhukovskiy.

Grachev said the Defence Ministry, which now finances many enterprises in the space sector, would continue to support them.

Grachev went around exhibits of several companies, lingering on the floor of the Russian space sector.

The sector is represented at the show by Military Space Forces and scores of enterprises, including the Khrunichev space science and production centre and the Energiya company.

Their exhibits display models and mockups of space hardware, both in service and design.

One of them is the booster rocket Russ which is being developed in Samara's design office.

The office's chief designer Dmitriy Kozlov said in an interview with ITAR-TASS that Russ reiterates a military R-7 rocket designed by Sergey Korolev, the pioneer designer of Soviet-era spacecraft.

The three-stage booster Russ is expected to be used for launching satellites under programmes of the Defence Ministry.

It will also be able to bring in orbit civilian spacecraft for terrestrial surveys and scientific studies.

Russ is to be launched from the Plesetsk space port.

The rocket is to be manufactured by end-1997. Its first launch is scheduled for 1998.

Kozlov said the new booster would cost about 25 billion roubles.

Federal Assembly

Duma Voices 'Extraordinary Concern' Over Chechnya

MM2308102595 Moscow ROSSIYSKAYA GAZETA in Russian 23 Aug 95 p 4

[Unattributed report: "At the State Duma"]

[FBIS Translated Text] The State Duma has adopted a decree expressing extraordinary concern at the situation prevailing in the Chechen Republic: The ceasefire agreements are being disrupted, Russian soldiers and civilians are dying; under cover of the negotiating process the criminal regime is forming its own government organs in Chechen Republic population centers and is attempting to eliminate the opposition.

In this connection the State Duma has decided to send the material produced by its commission investigating the reasons for and circumstances behind the emergence of the crisis situation in the Chechen Republic to the General Prosecutor's Office in order to settle the issue of instituting criminal proceedings on the basis of this material. The Russian Federation president has been asked to consider the question of introducing a state of emergency in the Chechen Republic and it has been requested that a special commission be created to monitor the procedure for the funding and allocation of material resources to restore what has been destroyed in the Chechen Republic. The Russian Federation president and government have also been asked to establish the requisite controls on the administrative border with the Chechen Republic.

List of Legislative, Regulatory Documents 13-19 Aug

95P50162

[FBIS Media Note] The following is a listing of Russian legislation recently published in the press of the Russian Federation compiled by FBIS. Numbers within parentheses indicate approximate wordage. Entries followed by the notation "Text" have been translated into English and are available in FBIS publications.

SECTION I: ECONOMIC LEGISLATION (EXPORT-IMPORT, BANKING, PRIVATIZATION, AUCTIONS, REGIONAL DEVELOPMENT)

'Far East Development Program' Feature Comprising Government Directives Nos. 974-r and 990-r Of 15 And 17 July Respectively; Government Decree No. 732 Of 17 July; And Commentary By Economy Ministry Aide Varlamov; On Various Aspects Of Plans For Far East's Economic Development. (Moscow ROSSIYSKAYA GAZETA in Russian 17 Aug 95 p 6) (1600)

Government 24 July Decree No. 749 Approving Appended Procedure For Centralization Of Payments For Land Use. (Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 95 p 6) (400)

Government 24 July Decree No. 751 Approving Appended Statute On Procedure For Conclusion And Implementation Of Investment Agreements. (Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 95 p 6) (1000)

Government 24 July Directive No. 1024-r On Using Credit From U.S. Export-Import Bank To Finance Procurements Of Medical Equipment For Moscow's No. 31 Clinical Hospital, Plus Golikhov Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 15 Aug 95 p 6) (400)

Government 24 July Directive No. 1030-r On Federal Holding Of Shares In 'Kontur' Joint-Stock Company. (Moscow ROSSIYSKAYA GAZETA in Russian 17 Aug 95 p 6) (200)

Government 24 July Directive No. 1039-r On Implementation Of Federal Law On State Support For Small Businesses. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 5) (800)

Government 27 July Decree No. 760 'On Certain Measures To Stabilize Electricity Charges.' (Moscow ROSSIYSKAYA GAZETA in Russian 17 Aug 95 p 5) (600)

Government 29 July Directive No. 1067-r On Measures To Prevent Road Traffic Accidents. (Moscow ROSSIYSKAYA GAZETA in Russian 15 Aug 95 p 6) (300)

Government 31 July Decree No. 775 Approving Appended (But Not Published) Statute On Licensing For Certain Categories Of Activity Associated With Geological Prospecting And The Utilization Of Mineral Wealth, Plus Unattributed Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 17 Aug 95 p 5) (350)

Government 2 August Directive No. 1077-r On Sale Of Federally-Owned Shares In 'Rybinskiye Motory.' (Moscow ROSSIYSKAYA GAZETA in Russian 15 Aug 95 p 4) (150)

Government 4 August Directive No. 1090-r Forming Commission Chaired By Agriculture Minister Nazarchuk For Elimination Of Drought Consequences In Orenburg, Volgograd, And Saratov Oblasts And

Republic Of Kalmykia. (Moscow ROSSIYSKAYA GAZETA in Russian 15 Aug 95 p 6) (300)

Government 4 August Directive No. 1093 On Privatization Of Mera Science And Production Enterprise. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 6) (100)

Government 7 August Decree No. 793 Approving Appended Lists Of Communications Services, Charges For Which Are Regulated By Federal Organs Of Executive Power. (Moscow ROSSIYSKAYA GAZETA in Russian 17 Aug 95 p 5) (900)

Government 7 August Directive No. 1097 Permitting Finance Ministry To Remit Part Of Debt To 1994 Budget Owed By Certain Far East Organizations. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 6) (150)

Government 7 August Directive No. 1102 On Implementation Of Yeltsin Edict On Formation Of All-Russia Telecommunication System. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 6) (150) (Text)

Government 9 August Decree No. 801 'On The Development Of The Higher School Of Economics.' (Moscow ROSSIYSKAYA GAZETA in Russian 17 Aug 95 p 5) (800)

Government 9 August Decree No. 802 On Creation Of Tyumenskaya Nef tyanaya Kompaniya (Tyumen Oil Company) Joint-Stock Company. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 6) (1,000)

Yeltsin 10 August Edict No. 840 On Financial Support For 'Sakhalinmornef tegaz' Joint-Stock Company. (Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 95 p 5) (500)

SECTION II: POLITICAL (INTERNATIONAL AND CIS AFFAIRS, ELECTIONS, CRIME, POLLUTION)

Government 26 Jun Decree No. 619 Approving Draft Agreement With

Uzbekistan On Cooperation In Struggle Against Crime Plus Unattributed Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 13) (900)

Government 17 July Decree No. 731 On Conclusion Of Agreement Between Russian Federation And Kyrgyzstan On Military Cooperation Plus Unattributed Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 14) (1,400)

Government 24 July Decree No. 737 On Russian Federation's Accession To International Missile Technology Control Regime With Accompanying Commentary By A. Krasulin. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 14) (1,800) (Text)

Government 24 July Directive No. 1040 On Appointment Of Russian Representative For Handling Discussions With Belarus On Russian Naval Radio Stations On Belarusian Territory, Plus Government 29 July Directive No. 1065 On Appointment Of RF Government Representatives When RF Federal Assembly Examines Question Of Ratifying Agreement With Belarus On Stationing Of ABM Warning System On Belarusian Territory, With Unattributed Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 14) (1,000) (Text)

Government 25 July Decree No. 756 Approving Draft Agreement With Uzbekistan On Scientific And Technical Cooperation Plus Unattributed Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 13) (800)

Government 27 July Decree No. 758 Approving Draft Agreement With Uzbekistan On Main Principles And Avenues Of Economic Cooperation In 1996-1997. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 13) (200)

Government 27 July Decree No. 759 Approving Draft Agreement With Uzbekistan On Ensuring Mutual Convertibility And Stabilization Of The Russian Ruble And Uzbek Som ROE Plus Unattributed Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 13) (700)

Government 29 July Directive No. 1056-r Appointing Collegium Members Of Temporary State Committee For Eliminating Consequences Of Ossetian-Ingush Conflict. (Moscow ROSSIYSKAYA GAZETA in Russian 15 Aug 95 p 6) (100) (Text)

Government 29 July Directive No. 1063-r On Submission Of Draft Law On Mobilization Preparations And Mobilization For State Duma's Consideration. (Moscow ROSSIYSKAYA GAZETA in Russian 15 Aug 95 p 6) (100) (Text)

Government 29 July Directive No. 1064-r On Allocation Of R2.5 Billion For Ossetian Peacekeeping Battalion. (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 p 5) (50) (Text)

Government 29 July Directive No. 1072-r Appointing N.I. Zakhmatov And V.Ye. Sokol To Russian Part Of Intergovernmental Commissions For Cooperation With Former Yugoslav Republics. (Moscow

ROSSIYSKAYA GAZETA in Russian 15 Aug 95 p 6) (250) (Text)

Yeltsin 4 August Edict No. 808 Approving Appended Presidential Program On Provision Of Legal Information For Russian Federation Organs Of State Power. (Moscow ROSSIYSKAYA GAZETA in Russian 15 Aug 95 pp 5, 6 (9000)

Yeltsin 7 August Directive No. 370-rp On Submission Of International Treaties For State Duma's Consideration. (Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 95 p 5) (200)

Five Federal Laws (Nos. 130-fz Through 134-fz, All Signed By Yeltsin 9 August) Ratifying Consular Conventions Between Russia and Belarus, Kazakhstan, Uzbekistan, Kyrgyzstan, and Moldova. (Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 95 p 6) (50 each)

Yeltsin 9 August Edict No. 834 Introducing Amendments To Presidential Acts On Federal State Service. (Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 95 p 5) (900)

Seven Federal Laws, Nos. 137-fz Through 143-fz, All Signed By Yeltsin 11 August, On Ratification Of Various Agreements With Former USSR Republics. (Moscow ROSSIYSKAYA GAZETA in Russian 17 Aug 95 p 5) (900)

Federal Law No. 144-fz, Signed By Yeltsin 12 August And Adopted By State Duma 5 July, 'On Operational-Investigative Activity Performed On Russian Federation Territory.' (Moscow ROSSIYSKAYA GAZETA in Russian 18 Aug 95 pp 4, 5) (9,000)

Unattributed List Of Federal Laws Passed By State Duma But Turned Down By Federation Council. (Moscow ROSSIYSKAYA GAZETA in Russian 16 Aug 95 p 6) (200)

Regional Affairs

Further Reportage on Chernomyrdin's Trip to Altay Kray

Speaks With Regional Heads

LD2308085795 Moscow ITAR-TASS in English 0820 GMT 23 Aug 95

[By Sergey Temenev]

[FBIS Transcribed Text] GORNO-ALTAYSK, August 23 (ITAR-TASS) — Russian Prime Minister Viktor Chernomyrdin has arrived in Gorno-Altaysk today. Upon arrival, Chernomyrdin began a working meeting with regional heads of the Altay republic right away at the airport.

Upon arrival from Barnaul Cheromyrdin told journalists at the airport that he had arrived in Altay republic not to look around, but rather work in order to help the people of the region to resolve their problems.

Chernomyrdin intends to visit an experimental farm in the village of Cherge which belongs to the Siberian branch of the Russian academy of sciences. Besides, the Russian premier intends to familiarize himself with working conditions and the lifestyle of local farmers, lumber-men and cattle-breeders.

Later in the day, Chernomyrdin intends to sign a resolution of the Russian government on jubilee events to be held on the occasion of the 240th anniversary since the Altay people voluntarily joined Russia. Russian President Boris Yeltsin issued a decree in May, 1995 in connection with this memorable date.

In the afternoon, Chernomyrdin is expected to return to Barnaul and then fly to Moscow.

Views Inflation, Production, Drought

MM2308091995 Moscow ROSSIYSKAYA GAZETA in Russian 23 Aug 95 p 1

[Unattributed report: "If There Were 'Zhigulis,' There Would Be Fuel. Prime Minister Viktor Chernomyrdin Has To Tackle Many Highly Important Russian Problems During His Working Tour of Altay"]

[FBIS Translated Text] There will be no dramatic rise in prices in September, Viktor Chernomyrdin, head of the Russian Federation Government, said during a visit to the "Barnaultransmash-Kholding" Joint-Stock Company. The prime minister is on a three-day working tour of the Republic of Altay and Altay Kray.

According to the premier, now there is no objective reason for the traditional soar in inflation in the fall. Inflation will rise steadily at no more than 3-3.5 percent per month. Next year will see the task of reducing the level of ruble devaluation to 2 percent a month. The trickiest thing is not to fall into the abyss of inflation now, in August, the premier commented.

When asked about the future of the "Barnaultransmash-Kholding" plant, which previously specialized in manufacturing diesel engines for military equipment, Viktor Chernomyrdin noted that we do not need the equipment that was manufactured previously in such quantities — tanks, armored vehicles, infantry fighting vehicles. There will be no orders for that kind of equipment and next year's defense order will not be increased, there will only be changes in certain areas, primarily qualitative changes, the premier said. Touching on the plant's plans to develop diesel engines for a VAZ automobile, Viktor Chernomyrdin said that this project should "go ahead" since VAZ wants to cooperate with "Barnaultransmash-Kholding."

Forecasts indicate that Altay, owing to the drought in other parts of the country, will now be one of the main suppliers of grain. Viktor Chernomyrdin promised to help Altay's grain growers. Over the next few days, and on his orders, the kray will receive over 30,000 tonnes of diesel fuel and around 20,000 tonnes of gasoline. According to Vice Premier Aleksandr Zaveryukha, who is accompanying the premier, Altay and other Siberian regions will also be provided with financial and technical assistance as they embark on the grain harvest. "We are pinning great hopes," the vice premier said, "on Altay and Siberian grain to swell the country's grain stocks."

Says Government To Repay Defense Debt

LD2208203395 Moscow INTERFAX in English 1940 GMT 22 Aug 95

[FBIS Transcribed Text] BARNAUL, Aug 22 (INTERFAX) — The Russian government will index this year's defense order, Prime Minister Viktor Chernomyrdin told journalists in Barnaul Tuesday [22 August].

According to Chernomyrdin, the government will repay its debt to the defense complex by the end of 1995 considering that the actual inflation rate turned out higher than envisioned in the budget.

Chernomyrdin said the government will grant credits, including privileged ones, only to defense enterprises which produce marketable products. At the same time, he warned that the cabinet "will not mechanically grant the enterprises additional working capital." "They will have to look for new ways of marketing their products under the market conditions. To do this, they have to produce marketable goods," he concluded.

Kalmyk Presidential Elections Scheduled for Nov

MM2208125795 Moscow KOMSOMOLSKAYA PRAVDA ("Business Tuesday" section) in Russian 22 Aug 95 p 1

[Report by Igor Yemelyanov: "Land of Milk and Honey Round the Corner?"]

[FBIS Translated Text] People say that miracles do not happen in the economy.... Miracles do happen, and what miracles, if you listen to the claims of Kalmykia's irrepressible President Ilyumzhinov. In an attempt to revive the press's lost interest in himself, Khan Kirsan has "suddenly" announced new presidential elections this November before the end of his term in office with complete confidence in his own victory,

But what has the young ambitious leader's two-year rule done for the small steppe republic? Many financial companies have begun to register in Elista, in particular one of the "Khopyer" firms. According to the president, the money has come in to build processing enterprises. For instance, the "Federico" factory has begun manufacturing sheepskin coats and leather jackets "on contract with Versace" and the "country's largest" wool-beating factory will start work in a month. Ilyumzhinov is also pinning major hopes on his own oil, stocks of which, according to him, total 3.5 billion tonnes and, if they are handled sensibly, Kalmykia will knock Norway off the top spot in terms of oil extraction per capita.

For all the rosiness of this picture, a number of questions put to Mr. Ilyumzhinov remained unanswered. In particular, what has happened to "those" 10 billion rubles allocated by Moscow for wool procurements? Why is the level of unemployment here double or treble that in neighboring oblasts and krays, say? And why, despite the "well-considered national policy," is the percentage of the Russian population here steadily declining?

For all the outward democracy of the president himself, only the Communist Party has survived out of the 14 parties that previously existed in the republic, and the only opposition newspaper SOVETSKAYA KALMYKIYA is forced to publish in a neighboring oblast. "My ideal is a Kalmyk khanate within a powerful Russian empire, moreover a khanate in no way impedes the reforms being implemented," K. Ilyumzhinov said in Moscow last week. Modern economists and political scientists obviously still have to ponder this experimental model....

Perm Lawmakers Cite Precedent, Urge Election

MK2208151695 Moscow SEGODNYA in Russian 22 Aug 95 p 3

[Report by Igor Lobanov: "In Perm, the Timeframe for Gubernatorial Elections Has Become a Matter of Controversy. So Far, However, Their Scheduling Remains the President's Exclusive Jurisdiction"]

[FBIS Translated Text] Perm Governor Boris Kuznetsov has refused to sign the law "On Elections for the Governor of Perm Oblast," adopted by the local legislature in July. The basic disagreement on this issue between the incumbent representatives of the legislative and executive branches is over who will set the election dates. The law says that the date is set by the Legislative Assembly. The governor insists that this contradicts a constitutional provision which must be followed in the event that a particular matter is not covered by corresponding federal law. The lawmakers for their part also invoke the Constitution and the precedents set by the president.

According to the deputies, if the right to hold gubernatorial elections is granted to one territory, this automatically extends to all other territories. At their next plenary session, scheduled for 24 August, the deputies intend to override the governor's veto and, judging by the results of preliminary consultations, they will succeed in this. Then the law will take effect. True, the same outcome is also being predicted by Boris Kuznetsov, whose refusal to sign the law "On Gubernatorial Elections" should be seen more as a safe way to demonstrate loyalty to the president than as a desire to ensure a drastic revision of controversial provisions of the law.

The specific timeframe for the elections arouses much more disagreement, including among the deputies themselves. One proposed option, which is also supported by Perm Parliament Speaker Yevgeniy Sapiro, is to hold gubernatorial elections simultaneously with elections to the State Duma on 17 December; in March 1996, to hold elections for deputies to the Legislative Assembly and also deputies at the city and rayon level; and on 12 June, to hold presidential elections and elections of heads of local self-government bodies. Speaking at a 17 August press conference, Sapiro described this schedule as optimal. But its realization to a large extent depends on the reaction of the president, to whom the deputies plan to send a letter after the election timeframe has been defined. Should Yeltsin refuse, the speaker threatens to apply to the Constitutional Court.

It should be recalled, however, that until the so-called transition period enshrined in the Constitution expires, holding or banning gubernatorial elections is within the exclusive jurisdiction of the president.

Sverdlovsk Oblast Election Rigging Considered

MM2308094895 Moscow TRUD in Russian 23 Aug 95 p 2

[Report by Anatoliy Dzhapakov: "As We Elect So We Live"]

[FBIS Translated Excerpt] Yekaterinburg — As has already been reported the first governor not appointed from above but elected by the oblast population has appeared. The elections in Yekaterinburg were authorized by a special edict from Boris Yeltsin. The winner was Eduard Rossel, member of the Federation Council and the (now former) chairman of the oblast duma. The man who in the fall of 1993 by a presidential edict was relieved of the post of oblast administration head. [passage omitted]

There were eight candidates taking part in the first round but despite this abundance it was clear to everyone that there were two main contenders — and they entered the "home stretch." Their roles were allocated in a characteristic manner — they presented two opposing images. E. Rossel was a very experienced politician tempered in many disputes and, incidentally, a no less experienced economic manager who once spent many years studying questions of construction in the oblast. A. Strakhov would seem not to be a politician at all but he is a strong production manager, a man of deeds rather than words.

Both "roles" undoubtedly deserve respect. Nonetheless from the outset the contenders displayed overt disrespect for each other. The two teams strove respectively to do everything to discredit "the other side." As one voter said in a talk with me, "this is not campaigning but mud-slinging."

The "politician" and the "production manager" did not yield to each other. At press conferences journalists were shown anonymous leaflets of the most offensive content. Here is just one of them, actively distributed throughout the oblast: It shows a luxurious private house allegedly belonging to A. Strakhov and constructed, naturally, using "illicit money." It must be said that A. Strakhov's team responded in a non-stock manner, with good humor. It announced a competition and set a prize of 1 million rubles for anyone who could find this house and bring the author of the false story to the election center.

During the elections, instances were noted of the bribery of voters with money and vodka and with various canned goods (does the man in the street need much these days?) Local television reported one such incident on the evening of the day when the second round was held. The owner of a red Zhiguli car (the number of the vehicle was cited) near a polling station in Yekaterinburg's Kirovskiy Rayon offered old men and women 10,000 rubles each to vote for the candidate the car owner wanted.

Sometimes the situation was reminiscent of vaudeville. On the eve of the first round of the elections some "well-wishers" got an entire village blind drunk so that it would vote for one of the candidates. The villagers, waking up sober in the morning, all gave their votes to his opponent. Either they were hung over and confused or there was some other reason....

There were also violations of a different kind. For instance, the above-mentioned television program, citing someone who was very much an official, reported that in the two weeks since the first round the number of voters registered in the oblast had unaccountably declined by 35,000. It is clear that so many people could not have died or left in two weeks. At the same time some voters, looking at the lists, discovered the names of people who had either died or had long moved to other rayons of the city.

It is easy to understand why it was necessary to reduce or increase the number of voters. According to the terms elections are considered valid if 25 percent of voters took part in them. Manipulating the number, it is possible to try to declare the elections invalid. But in the first and second rounds of the voting over 35 percent of voters went to the polls. So that the artificial or accidental reduction or increase in the number of voters played no part....

Yes, there is food for thought. Especially as the elections of federal authorities lie ahead. Oh, if they take place as described above we shall really have our plate full of elections....

Yet as we vote so in many ways we shall live.

Local NDR Criticizes Federal Platform

954F3141A Novosibirsk SOVETSKAYA SIBIR in Russian 16 Aug 95 p 2

[Interview with O. Gonzharov by A. Zharinov; place and date not given: "A Platform, Yes, But Unsatisfactory"]

[FBIS Translated Text] The information carried recently on the Russian Vesti has been perceived by all who are in the least bit interested in politics as a political sensation. It reported that the council of the Novosibirsk branch of Russia Is Our Home [NDR] had taken issue with the political platform proposed by the federal movement.

"How are we to understand this report? Where and how has this problem been discussed," we inquired of Oleg Pavlovich Gonzharov, chairman of the executive committee of the council of the Novosibirsk Land of Siberia NDR organization.

[Gonzharov] The final decision of the council of the Novosibirsk Oblast Land of Siberia organization is as follows: "To consider the draft platform of the Russia Is Our Home All-Russia social and political movement unsatisfactory. To instruct the executive committee of the council (O. Gonzharov) to form a working group and on the basis of an analysis of the socioeconomic position of Novosibirsk Oblast to prepare before 21 August a program for the activity of the Novosibirsk Oblast Land of Siberia organization."

Now specifically about how the discussion of this issue took place. This was the sole question on which the opinions of the members of the council differed, and a lively debate ensued. The participants expressed critical remarks concerning this draft. I shall quote some of them.

Yu.A. Novoselov: "The draft cannot from the outset be assumed as a basis. This document is not intended for us but for those who will vote for us, and for this reason it should be comprehensible to each normal person. It is necessary when compiling the political platform, therefore, to take account of Russia's centuries of experience. We need to be closer to people, otherwise the document will be used against us. And we could lose all our voters.

V.I. Ivankov: We cannot go to the people with this platform. The text is very hard to read, it has many superfluities. We need to record unequivocally that the draft political platform does not correspond to requirements. And send our proposals to Moscow.

V.N. Kiselev: There are paragraphs here which contain many repetitions of one and the same words. Having read it through to the end, you forget what is written at the start.

G.A. Pugachev: We need to assemble a serious group and work on the document.

In a word, the result of the discussion was that the platform cannot be adopted in the form in which it has been presented today and is in need of essential revision.

[Zharinov] Has the draft been rejected in principle? Its substantive part?

[Gonzharov] Certainly not. The draft has not been rejected, but it is not to our liking editorially, stylistically.

Unfortunately, the document was prepared very quickly. And this is why its content is dryish. Some sections do not jibe with the propositions and conclusions of other sections. The text has not been read through. There are many misprints. Such distort the meaning of the text, what is more. We also have additions to make to part of the draft. It makes no provision, for example, for measures to combat economic crime. There is no provision for government financial support for S&T policy. Some propositions are a compilation of ineffective and unfulfilled decisions adopted earlier. The program contains many truisms, which have been expressed for several years now. It contains measures that can be implemented at government level, but that are not being implemented for some reason or other. The participants in the movement from Novosibirsk Oblast have declared that they have no intention of being extras in the discussion of the most important, cardinal problems that will be discussed at the congress in Moscow.

The political platform should be clear, comprehensible, precise, and noncontradictory. A program, which should be a constructive document, not simply a hollow statement, of which we should avail ourselves merely in the phase of the campaign struggle.

[Zharinov] What further matters were considered at the council session?

[Gonzharov] The procedure for the nomination of candidates for deputy of the State Duma from the Novosibirsk Oblast Land of Siberia organization. The members of the council deemed it necessary to pursue a nomination procedure so as to collect the opinion of all participants and all primary organizations. In order that it might be possible with the aid of experts to ascertain the positive and negative professional qualities of this candidate or the other. This will be a multistage, multilevel procedure, in which all proposals are assembled at the first stage. At the second stage the council presidium will hold a preliminary discussion, more precisely, will prepare proposals for the council. The council will conduct a preliminary examination. Only then will the subject be put to a conference, at which discussion, the speeches of the candidates themselves, and, finally, a ballot are contemplated.

[Zharinov] It is still too early to speak about specific candidates?

[Gonzharov] Yes. They are not candidates yet. They are candidates for candidates. The actual discussion has not yet been held, the timeframe is this: The presidium will meet on the 21st, the council and the conference, on the 23d.

Economics Minister Discusses Free Economic Zone

954F3068A Nalchik GAZETA YUGA in Russian 11 Aug 95 pp 1-2

[Interview with Mukhamed Tsikanov by unidentified correspondent; place and date not given: "The Free Economic Zone Will Be Formed in the Next Few Months"]

[FBIS Translated Text] The draft documents on the "Kabardino-Balkaria" free economic zone were published in two previous issues of GAZETA YUGA. The newspaper asked Mukhamed Tsikanov, minister of economics of the Kabardino-Balkar Republic, to comment on their subsequent fate.

[GAZETA YUGA] Will the Government of the Russian Federation accept in the present situation documents conferring on one component of the Federation before others manifest advantages in the tax, investment, and other spheres? Is it realistic to expect the speedy creation of the "Kabardino-Balkaria" free economic zone?

[Tsikanov] I would say yes rather than no. The documents are already with the Government of Russia, and five or six ministries will begin to consider them next week. The Russian Ministry of Economics is to present findings on them, and the preliminary discussions with Yasin permit the anticipation of this department's quite benevolent attitude toward both the idea itself and the specific mechanisms formulated by the drafters. Of course, the federal departments will make some amendments to the documents, but they will not, I believe, alter the overall concept.

[GAZETA YUGA] Or the idea?

[Tsikanov] Or the idea. This is one of the few ideas, incidentally, with a precise quantitative target designation: the republic budget is by the year 2000 to constitute approximately $200 million and to be self-sufficient. And this specific aspect affords, in my view, an opportunity for realization of this goal. The potential, resources, and funds are being calculated on the basis of it. The free economic zone is a mechanism making it possible to accomplish the set task—a purely applied task, in a sense.

[GAZETA YUGA] Not everyone has understood from our publications how the enterprises constituting the free economic zone will be determined. And whether or not tension will be created between the Kabardino-Balkar Republic and the leadership of the oblasts and republics of the Russian Federation by the registration of their enterprises in the "Kabardino-Balkaria" free economic zone.

[Tsikanov] The free economic zone is being created to fire up the Kabardino-Balkar economy and to provide for its earning of resources. This is the main task of the free economic zone. So our enterprises will be the subjects of the zone's activity, in the main. Ten of them will begin to operate in the free economic zone almost automatically. Others, after registration. Interest in the free economic zone has been displayed by many structures outside of Russia and the CIS also, for that matter. Several of the largest Russian banks have expressed an intention to be among the founders of the "Development" corporation. We are talking, what is more, about their contribution to the corporation's authorized capital in amounts of many hundreds of thousands of dollars.

As far as possible friction with other components of the Federation is concerned, everything has been done, evidently, to smooth it over or to exclude it altogether. The free economic zone will, according to the draft, be managed by a board, which will include representatives of federal ministries and departments. They may determine the structure-forming enterprises of Russia and suggest that they register in the "Kabardino-Balkaria" free economic zone. No one in Russia today may grant anyone individual privileges, but an enterprise registered in the free economic zone obtains them automatically. It is more to the advantage of the leaders of the regions, on the contrary, to register some of their enterprises here, sparing them a number of federal taxes, than to make the rounds of the corridors of power and beg funds for them.

[GAZETA YUGA] Of the three main principles on which the majority of free economic zones are based—tax privileges, limited supervision, and confidentiality of information on the enterprises registered in them—the first two are realized in the "Kabardino-Balkaria" free economic zone concept. The state and society are not, understandably, ready for the third. What about the limited tax, currency, and financial supervision of the activity of the enterprises registered in the free economic zone declared in the draft? The leaders of the supervisory authorities and special services of the republic have already voiced their misgivings as regards this aspect.

[Tsikanov] This is a normal reaction. Their work is supervision, it would have been odd had they welcomed the attempt to limit their activity, and this is, in addition, a warning of possible repercussions along the lines of their departments.

[GAZETA YUGA] But it is not just a question of generals. The local press sees the free economic zone as exclusively a criminal zone. It is this aspect that is being entered in newspaper headlines, in any event.

[Tsikanov] Shadow capital's interest in free zones and off-shore activity is perfectly natural, inasmuch as they make it possible to operate in a tax-free mode and under relatively restricted information conditions. But it is essential to divide the shadow economy into two components here. The first is composed of normal people—businessmen, entrepreneurs, and so forth, who have entered the shadow economy in order to survive under the conditions of the tax, financial, and supervisory pressure. The second consists of criminal business: drug trafficking, illegal arms trade, prostitution, racketeering, and so forth. We need to fight the second component of the shadow economy, but the first is a major resource—it is estimated that up to 20 percent of GDP is produced there. A normal state should engage this resource. Earlier people were driven into the shadow economy by legal and ideological restrictions, today, by tax restrictions. We can ease the tax burden and allow this capital to work for the republic's budget for the well-being of everyone. This is logical, this is expedient, although it does not, it would seem, jibe with our moral standards.

But what was Switzerland like, say? No one remembers that this was once a bandit crossroads. Nowhere was there so much robbery and violence as there. Then the bandits got together and decided: Let's make this region safe, otherwise we could lose everything. And they did so. Not in a day, not in a year, of course. But they did so. Everyone now knows what the Swiss banks are like.

Or France, where General de Gaulle proclaimed: For a defined period all who declare their income shall be granted an amnesty, and for those who have shown no desire to declare their income before the expiration of this time, war will commence. Tax payments started coming in the next day.

We could move continually against shadow capital, and it would simply find another shade, another spot. This would mean a growth of the budget deficit, an outflow of cash, a winding down of business activity, a state of war in the economy, and so forth.

Yakutia Asked To Sell State-Owned Diamond Shares

MK2208130895 Moscow SEGODNYA in Russian 22 Aug 95 p 3

[Report by Oleg Kryuchek: "Goskomimushchestvo Asks 'Almazy Rossii-Sakha' To Sell Part of State-Owned Block of Shares. Company Leadership Offers Resistance"]

[FBIS Translated Text] Lev Safonov, general director of the "Almazy Rossii-Sakha" [Diamonds of Russia-Sakha] joint-stock company, has told representatives of the mass media that the company chiefs were recently invited to Russia's Goskomimushchestvo [State Committee on the Administration of State Property] for a discussion. In the course of the discussion, the committee chairman Sergey Belyayev suggested that 40 percent of "Almazy Rossii-Sakha's" shares be sold to private owners, whereby he threw everyone into some confusion, as Mr. Safonov put it. The matter is that shares in the company have now been distributed as follows: Russia and Yakutia have 32 percent each, 8 percent is held by Yakut regions, 5 percent is held by the fund of social guarantees for servicemen, and 23 percent belong to company personnel; hence (and the diamond-mining company's leadership provided a reminder of this for the benefit of Mr. Belyayev), the Russian share can in no way be 40 percent.

Then the Goskomimushchestvo chairman suggested another option: to sell to private businesses 20 percent of the state-owned block of shares, something the "Almazy Rossii-Sakha" leadership cannot agree with. Lev Safonov explains this by the fact that "Almazy Rossii-Sakha" is a closed joint-stock company. Its public floating was carried out under a special edict of the Russian president. Hence, in the opinion of Mr. Safonov, the rules for usual joint-stock companies do not apply to "Almazy Rossii-Sakha." Besides, Lev Safonov voiced bewilderment at the fact that Goskomimushchestvo is going to carry out a deal without the consent of the responsible founders of the company.

Mr. Safonov also said he would not be surprised to learn that the desire of Russia's Goskomimushchestvo to sell shares from the state-owned block of shares is connected with the interests of the South African "De Beers" firm.

At the moment, according to Lev Safonov, "Almazy Rossii-Sakha" is 90 percent of the total budget of the Republic of Yakutia, and the company soon intends to increase the mining and selling of diamonds to reach $1.5 billion.

Mr. Safonov also said, commenting on the directive of the Russian Committee on Precious Stones and Precious Metals on the mandatory sale of a percentage of diamonds to local diamond-cutting enterprises, that it is at these enterprises that diamonds happen to disappear, only to later surface on the world market. According to Lev Safonov's information, one can speak today about the illegal export from Russia of diamonds worth about $800 million.

Novosibirsk Plants, Italy's Iveco To Produce Trucks

MM2208140095 Moscow KOMSOMOLSKAYA PRAVDA ("Business Tuesday" Section) in Russian 22 Aug 95 p 1

[Report by Vyacheslav Troshin: "Conversion Into Life"]

[FBIS Translated Text] Novosibirsk — A number of Novosibirsk enterprises with previous links to the defense industry sector — including the "Sibselmash" Production Association, "Sibtekstilmash," and the "Ekran" Open-Type Joint-Stock Company — have come up with the initiative of organizing production of minitrucks using technology supplied by the Italian firm of Iveco.

The necessary documents have been signed, along with an agreement with the firm and a general agreement with the "Protoneks" [name as transliterated] Company. An oblast administration working group is drawing up a program for the preparatory stage and phase one of the production of 50 minitrucks. The trucks will be assembled at "Sibselmash." It is also planned to organize a joint venture with the participation of the "Protoneks" Company and the oblast administration at the first stage, and of all project participants in the subsequent stage. The oblast Committee for the Management of State Property will be the joint venture's founder.

Economic Issues

Yeltsin Approves Increased Budget for Some Sectors

LD2208160795 Moscow INTERFAX in English 1459 GMT 22 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 22 (FIA-INTERFAX) — Russian President Boris Yeltsin signed a federal bill on increasing the budget appropriation for certain programs Tuesday.

The most important cause of the change is the increase of the minimum wage to 55,000 rubles a month.

The Defense Ministry has been appropriated an additional 2.3 trillion rubles while the law enforcement and state security bodies, over 1 trillion rubles.

The appropriation for state management has been increased by 610 billion, education by 521 billion, agriculture and fishing by 510 million and public health and physical culture by 237 billion rubles.

Finance Ministry experts say that the increase has been made possible in particular by improved tax collection.

As a result, the defense spending has reached the level of 50.8 trillion rubles, the financing of industries, 31.2 trillion rubles, law enforcement 16 trillion rubles, agriculture 9.8 trillion rubles, education 9.5 trillion rubles and public health and social programs 4.5 trillion rubles each.

The total budget spending, 248.3 trillion rubles, has not been changed. Of this, 142 trillion rubles, or over 57% of the budget, will be spent in the second half of the year.

Deputy Minister on State Budget Concerns

954F3120A Moscow ARGUMENTY I FAKTY in Russian No. 33, Aug 95 p 6

[Interview with Sergey Vasilyev, deputy minister of economics, by Tatyana Korostikova; place and date not given: "Troubles Around Money"]

[FBIS Translated Text] The government is "in labor" once again. The name of the future child is Russia's budget for 1996. The breakdown in it is almost the same as in Budget '95. For example, the money is divided up between the administrations and the rest of the population according to the Popandopulo principle: "That is for me, and that is also for me, and that is for me too...." All in the same way, thousands (per month) are deducted for protection of the health of the simple mortal, and millions for those who enjoy the services of the government medical center. Nor were these proportions changed in the expenditures on social needs, which were increased in Budget '96. And, after all, what can be changed in education, public health, and the situation of the underprivileged by several tenths of a percentage point? Our discussion of the budget with Sergey Vasilyev, deputy minister of economics, began with this question.

[Vasilyev] With respect to various social items, the addition to the share of each in the budget is from 0.2 to 0.5 percent. If the entire budget amounts to 2 quadrillion rubles [R] (R16,000 for each.—ed.) then this is quite good for each item.

[Korostikova] Food costs for one patient in a hospital will rise from R3,042 to R6,771 in 1996, and for medications—from R8,000 to R14,300. Taking into account the fact that other prices will increase as well, can one speak about any significant improvement?

[Vasilyev] We are speaking about a real increase, since the proportion of social costs in the GDP (gross domestic product) will increase from 1.27 percent to 1.75 percent. Additionally, do not forget that the main burden of social costs is borne by the local budgets.

[Korostikova] And where will the money come from?

[Vasilyev] From a real reduction of 30 percent from subsidies for agrarian and coal workers. There is the hope that more taxes will come in. And if the government can be blamed for anything, it is that it is still doing a poor job of collecting taxes, especially customs duties.

[Korostikova] Nonetheless expenditures on the Army and law enforcement organs have increased much more than those on social needs.

[Vasilyev] Precisely. If you look at the soldier's ration, such an addition seems necessary. This is shown by the fact that 80 percent of the funds allotted for food in 1995 were used up during the first half year. That is, there is not enough money. But the planned expenditures have been increased as well. At the beginning of 1994, when we received an estimate of costs from the Ministry of Defense, soldiers' boots were estimated at R170,000. And at that time they would not "bring in" more than R20,000.

As long as the Army is closed off from society, nobody can say for sure whether it spends a great deal or not. But we cannot just cut the Army's expenditures in one fell swoop. We must reduce its numbers in a planned way. So far, this is not being done very energetically.

The same thing is true of the police. No matter how much we pay the policemen, there will always be someone who will pay them more. There is no doubt that we should pay them properly, but we must also conduct reforms. And so far the increase in costs is greatest for the police. So the state, which in some places is separated from it, could also demand greater effectiveness. So far we are not seeing that.

Unless we reform the Army and the law enforcement organs, we will not achieve any real improvement in the social sphere with a significant reduction of costs.

[Korostikova] What kind of inflation are you planning for in 1996?

[Vasilyev] For 1 percent per month. In our agreement with the IMF, we made a commitment to reduce inflation to 1 percent by the end of this year. And if for next year we plan on 2 percent, it will be a departure from principles and we will not receive the next credit. And without it, how will we pay the interest on our foreign debt?

[Korostikova] How will you get 1 percent by the end of the year?

[Vasilyev] Why not? In July inflation was 5 percent, and in August it might be 4 or 3. Recently inflation in wholesale prices has been zero. The lag between wholesale and retail prices is three months. So in a couple of months the situation with wholesale prices could be reflected in retail prices. After all, we are not printing surplus money.

[Korostikova] And where is the money to cover the costs of Chechnya coming from?

[Vasilyev] From cutting other costs. Including social ones. And the fact that the soldiers are being underfed—that also has to do with Chechnya.

[Korostikova] Now the people are all worried about what will happen to the dollar after 1 October. What kind of exchange rate is presumed in Budget '96?

[Vasilyev] An annual average of 5,500.

[Korostikova] They say it is being artificially maintained until the elections, and then it will surge upward.

[Vasilyev] Yes, they are maintaining it, but from the bottom. If the Central Bank had not bought up dollars, even now the exchange rate would be 3,500-3,800. If the state does not print worthless money, there is a shortage of rubles and the dollar falls. This is the situation we have now.

[Korostikova] In general are you confident that everything will go according to the planned scenario?

[Vasilyev] No, I am not even certain that the scenario will be the one the government proposes. After all, the elections are coming up. First to the Duma, and then the presidential elections. I think the deputies will start including unrealistic expenditures in the budget in order to increase expenditures that are attractive to the voters. Thus, this year they proposed adding R20 trillion to revenues from privatization. But we have received practically nothing so far. This was a purely populist step.

[Korostikova] So people are right when they say that Chubays squandered all the state's money for a song.

[Vasilyev] But is there any point in chasing after money? We would do better to determine who are the owners of our plants and factories, who has the controlling blocks of shares, for otherwise there will be no investments in industry. So from the standpoint of the development of reforms, we need speed. And if it is speedy it will not be too expensive.

[Korostikova] In brief, if the Duma wants to seem generous, we cannot even mention the 1 percent inflation, not to speak of having it in reality?

[Vasilyev] Nothing of the kind. The Duma can sign whatever it wants to, but it will never resort to printing money to finance its promises. That would be dangerous for it. They people would point their fingers at the deputies as the ones guilty of the high inflation. And who wants to be to blame for that?

[Korostikova] But, after all, somebody has to execute the budget!

[Vasilyev] There will simply be dummy expenditures, which will not be paid out, there will be budget indebtedness and nonpayments.

[Korostikova] So it turns out that the main thing is to make promises and not to do anything.

[Vasilyev] Essentially, yes.

Rules for Registration of Shareholders Laid Down

MM2208134895 Moscow ROSSIYSKIYE VESTI in Russian 22 Aug 95 p 1

[Unattributed report from "In the Corridors of Power" column: "Stock Market: Shareholders To Be Registered"]

[FBIS Translated Text] The Federal Commission on Securities has defined rules for registration operations on the Russian stock market. A temporary statute "On the Maintenance of a Register of Shareholders," signed at the end of last week by First Vice Premier Anatoliy Chubays, chairman of the commission, entered into force 18 August. The document lays down standards regulating registration operations. In addition to this statute the Russian Federation Government intends to issue a number of normative acts, in particular a document laying down the rules for the licensing of registrars' activity.

New Body To Be Formed To Monitor Natural Monopolies

MM2208133695 Moscow ROSSIYSKIYE VESTI in Russian 22 Aug 95 p 1

[Unattributed report from "In the Corridors of Power" column: "State Service: Another Control Structure"]

[FBIS Translated Text] A new executive power structure for the regulation and monitoring of the activity of natural monopolies is to be created in Russia. It will be formed on the basis of the Law "On Natural Monopolies" signed by the Russian president 17 August 1995. Normative documents are currently being drafted on the creation of federal services which will exercise monitoring of the activity of natural monopolies, including "Transneft," "Transnefteprodukt," and "Gazprom."

Finance Ministry Should Help Regulate Exchange Rate

MM2208140995 Moscow IZVESTIYA (Financial Section) in Russian 22 Aug 95 p 3

[Article by Igor Doronin, adviser to Moscow Interbank Currency Exchange on market conditions: "Finance Ministry May Help Regulate Ruble Exchange Rate"]

[FBIS Translated Text] The uncertain movements of the ruble's market exchange rate are a serious problem of macroeconomic policy for the period through the end of the year and for next year. As experience has shown, given a stringent financial, monetary, and credit policy the ruble exchange rate becomes an autonomous factor that changes independently of the domestic inflation rate. The Central Bank's regulatory potential is limited, and the attempts by it to curb the rise in the ruble exchange rate in April-June had undesirable side effects in the form of an increase in the money supply.

The unpredictable movements of the exchange rate are having a fairly substantial impact on the development of the domestic financial market, the financial position of enterprises carrying out foreign economic activity, the financial position of banks, and so forth.

The introduction of the currency "band" should be regarded as an attempt to switch to a regulated exchange rate. However, the existence of the "band" has more of a psychological effect on exchange rate dynamics and is hardly capable of really influencing movements.

At the same time, given the policy of financial stabilization and the narrowing of the gap between domestic and world prices, the exchange rate is now of substantial macroeconomic significance. In these conditions the task of the government and the Central Bank is to elaborate mechanisms for the market regulation of a floating exchange rate that are capable of ensuring throughout the year sufficiently smooth and predictable movements linked with other macroeconomic indicators, above all including the domestic inflation rate.

Continuation of the stringent financial, credit, and monetary policy effectively rules out the factor of investment demand for hard currency or at least makes it insignificant. At the same time cost inflation and the shortage of rubles are forcing holders of currency to sell it on the market. In conditions where ruble assets are preferable to hard currency assets, the structure of investment portfolios is changing in favor of rubles. This will be further promoted by the government's intention to issue state bonds for the population in the very near future. As a result, the situation whereby the supply of hard currency exceeds demand may persist. Ruble exchange rate movements will diverge increasingly from the dynamics of inflation, undermining Russian enterprises' export potential and creating a threat to the stability of Russia's internal currency market.

Further strengthening of the ruble seems rather dangerous from the macroeconomic viewpoint. The serious factor of demand for hard currency, which is capable of effectively influencing movements in the ruble exchange rate, must be brought into play in the internal currency market. The Central Bank is scarcely capable of actively influencing demand without detriment to the current monetary and credit policy.

The Finance Ministry could be a factor in demand for hard currency in the internal currency market. By purchasing currency on the internal currency market it could repay Russia's external state debt if not in full, then at least partially. The part that is not covered by IMF loans and external borrowings. This currency could be purchased with the rubles that the Finance Ministry spends on funding purchases of output intended for export in order to meet state needs.

In this case the Central Bank and the Finance Ministry would coordinate their policy in the currency market. The Central Bank, which has recently accumulated an adequate volume of currency resources, could neutralize the sharp increase in the dollar exchange rate if a great demand arose for hard currency, while the Finance Ministry could guarantee the dollar exchange rate against significant falls in the event that supply considerably exceeds demand. Thanks to this coordination, the movements of the ruble exchange rate in the currency market could be effectively regulated.

Economic Situation Expected To Stabilize

LD2208191295 Moscow ITAR-TASS in English 1652 GMT 22 Aug 95

[FBIS Transcribed Text] MOSCOW, August 22 (ITAR-TASS) — Directors are optimistic and are looking forward to the further stabilisation of the economic situation at industrial enterprises. This view is taken by the Centre for Economic Situation at the Russian government. This forecast for the third quarter of 1995 was made on a basis of selected survey of business activity of 1,700 enterprises in eleven industries in 37 Russian districts.

According to the survey, the tendency for the stepping up of business activity will continue in July-September. The output is to increase considerably in the fuel industry, the industry of building materials, ferrous and non-ferrous metallurgy. The demand for their products will be on the rise.

Enterprises will be seeking economically-advantageous supplies of material resources, the expansion of markets and cutting back production outlays. Half the number of these enterprises aim to perfect the output and manufacture new kinds of products, ensure that they are competitive, and renew technologies.

Nevertheless, directors of enterprises do not expect substantial improvement of the economic situation soon. The average load of production facilities remains at the lowest level over the past three years. The main factors curbing production growth are insolvency in customers, the shortage of own funds, high interest on commercial credits, instability of the State's tax policy and insufficiency of markets. Investment activity remains low and the payments crisis will not be fully overcome. Dismissals will continue at a quarter of the number of enterprises, especially large ones.

Article Surveys Economic Activity, Prospects

MM2208143095 Moscow ROSSIYSKAYA GAZETA in Russian 19 Aug 95 p 4

[Article by Dmitriy Pyro: "Industry Is Sick. It Is Asking for Investments"]

[FBIS Translated Text] According to figures from the Russian Federation Government Economic Situation Center, capital investments in the economy are continuing to fall. In the past six months, for example, the volume of capital investments has fallen by 20 percent as compared with last year. It is clear even to someone uninitiated in the minutiae of macroeconomics that, as a result, it is not so much the current state of industrial production that is suffering, as technical and technological progress over the next few years.

Some people may possibly find the indicators of investment activeness in production too abstract to pay attention to in principle. Nevertheless it is undoubtedly worth assessing them. At least to form an idea of trends in the domestic economy, and at the same time of your own personal prospects. After all, everything is so interconnected in this world that it is pointless to examine your own purse without comparing it to the public one.

The eternal question, "Where should I work now, what should I do?", asked with the long-term future in mind, may actually find a answer in an analysis of investment policy. The following fact, for instance, stands out — capital investments in the construction of facilities in the non-production sphere have fallen by a lesser degree than those designed for production. The reduction in investments for production is characterized in its turn by a reduction in long-term investments in the machine building sector and the chemical and timber industry and construction industry complexes, on which the renewal of the active part of capital assets strongly depends. In other words, the introduction of advanced technologies is being held back, and the physical wear and tear and obsolescence of equipment is deliberately being increased. This approach can scarcely be called farsighted. More likely it testifies to a desire to survive today at any cost, while counting on tomorrow's radiant future. Admittedly, it is absolutely unclear how its arrival can then be accelerated....

But even on the heels of this depressing conclusion you have to draw another conclusion: In the non-production sphere, more capital investments have started coming into housing construction. Only incorrigible pessimists could fail to be gladdened by such phenomena. Residential buildings are replacing giant industrial construction projects. This is primarily because invested money turns around far more quickly in this sphere. In January-February of this year alone housing covering a total area of 12.1 million square meters was put up using all sources of finance. This indicator is 14 percent higher than last year's level. Incidentally, 50 percent more individual houses than in 1994 were built by the population on the basis of personal funds and credits, and the proportion of these in the total volume of housing put up in the first six months is now 20 percent.

So, if something has to be recommended to the "young person thinking about life," it could be — become a builder. You can earn your bread and butter in this sector, at least in the foreseeable future. Judging by an analysis of the opinions of leaders of construction organizations, the second quarter of 1995 testifies to a stabilization in the economic situation in the construction industry complex. A trend toward an increase in the volume of work carried out has been noted, the fall in demand for construction and in the provision of financial resources has slowed down, and, and as a result, today we have a far more favorable picture than last year. If you add that the forecasts of construction "leaders" for the next quarter are even more optimistic, the conclusion is straightforward — it is not a stabilization in the slump that this sector is experiencing, but a rise.

Another curious trend in the construction industry complex is that things have started going best of all for major organizations, which are virtually unanimously announcing an increase in the volume of their own orders. At the same time, medium and small private firms are experiencing customer problems. Why? All the indications are that it is easier for major producers to reorient their production and reduce its cost and its deadlines. But if we are talking about the most favorable construction regions, then things are more successful in Moscow, Tver, and Volgograd Oblasts than anywhere else. The most pessimistic assessments have been made by construction industry leaders from Kirov, Kemerovo, Nizhniy Novgorod, Penza, and Sakhalin Oblasts. They are most of all concerned about customers' insolvency, their own shortage of funds, and the instability of taxation and legal policy.

However, whereas construction work is at least going on in the country, then at the moment it is hard to say with confidence that the country is also feeding itself. Nevertheless I will take the risk of assuming that if the current trends in the funding of agriculture are kept up, then God grant that we will see something change in this chronically sick sector.

For instance, experts at the Economic Situation Center are noting that the changes in the state policy of purchases, such as, for example, minimum guaranteed prices with quarterly indexation and the introduction of a system of licensing for market operators involved in transactions concerning the sale of grain and others have stimulated the conclusion of contracts. Thus, purchase contracts have already been concluded for grain crops at 98 percent of last year's level, for sugar beets at 338 percent, for vegetables at 82 percent, for livestock and poultry at 35 percent, for milk at 63 percent, and for eggs at 61 percent.

Furthermore, according to figures from the Russian State Committee for Statistics, serious changes have occurred in the prices of agricultural and industrial output. Whereas in 1993-94 the ratio was 1:1.3-1.4, at the beginning of this year it was 1:0.76. The prices of agricultural output have been overtaken by the prices of services for the countryside.

The ratio between purchase, wholesale, and consumer prices is currently to the advantage of rural commodity producers. In January-April the growth in the purchase price of meat and dairy output overtook the growth in wholesale and consumer prices for the first time in three years. The age-old dream of the eternally dissatisfied agrarians came true. To work, comrades?

It is scarcely joyful news that at the same time the solvency of the agrarian sector in the first six months was assessed as only 12 percent — this is approximately one-half of the corresponding indicator for the economy as a whole. There has been a steady increase in the number of enterprises with accounts receivable and accounts payable. The number of the latter has risen faster, and their proportion in the overall number of farms has reached 85.9 percent in individual months.

And so, attempts at "surgical" intervention in the domestic economy are not failing, and the "patient" is starting to show signs of life. Of course, at the moment he is still ordered to stay in bed. Nevertheless, the "resuscitators" have become more optimistic. If only because the vitally important organs are already receiving a new rush of blood. It is quite possible that it will save the organism as a whole from pathogenic microbes. When you want to live and you are given the chance, that is an event in itself....

Bank's Share-Swap Deal Suggestion Considered

MM2308105095 Moscow IZVESTIYA in Russian 23 Aug 95 p 1

[Report by Mikhail Berger: "Barter? The State Is Prepared To Use Shares in the Major 'Yukos' Oil Company To Pay for 'Menatep' Shares"]

[FBIS Translated Text] The monetary stage of privatization, with increasingly attractive chunks of state property passing into private hands, is producing many surprises. Apparently you can acquire a state-owned block of shares in an oil company not only by paying cash, but also on a barter basis.

"Menatep," one of Russia's biggest banks, suggested to the government that it transfer to the bank a state-owned block of shares in the "Yukos" oil company. First Vice Premier Oleg Soskovets ordered the Fuel and Energy Ministry, the State Committee for the Management of State Property [Goskomimushchestvo], and the Federal Property Fund, in conjunction with the bank and the "Yukos" Joint-Stock Company, to submit proposals in this connection.

Last week Alfred Kokh, acting chairman of Goskomimushchestvo, said that the budget will get 8.7 trillion rubles [R] from the sale of state-owned property. Only R104 billion have been earned so far, in the first six months, according to INTERFAX data. Nonetheless, Kokh gave assurances that the required amount would be collected, in particular as a result of Goskomimushchestvo's approval of a schedule for the sale of major blocks of shares in 136 of the most attractive enterprises, including "Lukoil," "Yukos," and "Sidanko." But the sale of one of the most attractive chunks could change the form of ownership in a different way.

The "Yukos" oil company now has 11 percent of all proven stocks of Russian oil (around 2 billion tonnes) and it is one of the country's three biggest companies. The company's annual production is 27 million tonnes of oil. With the incorporation of the "Samaraneftegaz" Association (the decree to this effect was recently signed by Viktor Chernomyrdin) total production will rise by a further 8-9 million tonnes per year. The celebrated U.S. company "Amoco" produces approximately that amount.

It follows from the appeal to the government that the bank has proposed the inclusion of a block of "Yukos" shares in the list of shares to be transferred to "Menatep." What is this list? Some time ago the bank announced that the state was becoming a shareholder and was acquiring more than 10 percent of its shares. Last December the government decided (directive No. 2030-r) to become a "Menatep" shareholder by acquiring some shares in the bank. But since this expenditure was not provided for in the budget it was decided to pay for this with blocks of state-owned shares, which the Federal Property Fund holds.

According to nonstate experts, "Yukos" is considerably undervalued. "Amoco," which produces approximately the same as "Yukos" will be producing henceforth, is estimated to be worth $29 billion. In other words approximately 65 times more. Of course, "Amoco" has many advantages: technology, equipment, a niche in the market, and so on. But, the U.S. company's stocks are only approximately one-seventh the size of "Yukos'."

Naturally, if the state (or someone acting for it) were to sell "Yukos" shares today, he would get hardly one-fourth of what "Amoco" is worth. What is needed are lengthy professional presale preparations to dramatically increase the value of the shares. It took the Argentine National Oil Company, for example, around three years to prepare. But its shares sold for $3 billion last year, although the company is much more modest than "Yukos" in every regard.

There is a plan for the presale preparation of "Yukos." If you believe the planners, the company's shares could be worth more than $3 billion in a few years. State revenue would then be around $1.5 billion. "Yukos" itself would be able to get a loan of at least $400 million on the strength of unsold shares (work will be done in the meantime to increase their value).

Maybe the state does not want to wait for the "Yukos" shares to increase in value. But even if the block of state-owned shares in this company is sold today the treasury will get R550 billion, according to official estimates. Even this is better than giving the company to the bank, opponents of the deal believe.

"Menatep" chief Mikhail Khodorkovskiy claims his bank is offering a good deal. Indeed, the state will surrender its block of shares in exchange for "Menatep" shares, without receiving money for it. But the bank is proposing the conclusion of a contract with the right to buy back. In other words the state will retain the right to buy up its share "if need be."

The bank's explanation for its proposal is that "Yukos" should not be sold on open tender. If the company's shares are placed in the open market it will almost certainly go to a major foreign oil company, for example, "Amoco." Of course, Khodorkovskiy said, we cannot immediately give the company credit of 400 million, as a Western investor would do, but "Menatep" is prepared to pay for the company the price set by Goskomimushchestvo, although not immediately but in installments over several years.

The question of the exchange of a block of state-owned shares in "Yukos" for a share in "Menatep" capital remains open at the moment.

Daily Views Recent Trends in Money Market

MM2208151895 Moscow IZVESTIYA (Financial Section) in Russian 22 Aug 95 p 1

[Report by Igor Doronin, market conditions adviser to the Moscow Interbank Currency Exchange: "Foreign Exchange Review"]

[FBIS Translated Text] The situation on the Russian money market recently has been defined by a shortage of rubles. As a result the relationship between the main segments of the money market — foreign exchange, treasury bonds, and interbank loans — has become increasingly close. The treasury bond market continues to be the dominant segment of the money market.

The stability on the foreign exchanges in the first half of August contrasted with the cyclical nature of dollar operations and dynamics in July, which was determined by the weekly treasury bond auctions. This cycle has now become dormant [skrytyy]. This can be judged from the level of turnover, whereas the rate remains relatively stable.

The 5-trillion ruble [R] three-month treasury bond auction held 16 August required the banks and their clients to mobilize considerable amounts of rubles. Suffice it to say that the auction saw bids for a nominal R5.7 trillion. One source of the funds was the sale of foreign exchange worth around R1 trillion 14 August. But thanks to currency intervention by the Central Bank of Russia this did not affect the rate. In subsequent days turnover on the foreign exchanges was small — which shows that banks and their clients are not very interested in foreign-exchange operations.

It seems as though the policy of ensuring exchange rate stability has become one of the key avenues of the Central Bank's operations on the foreign exchanges. And it seems as though it is pursuing a very specific goal — of reviving the dollar, without losing control over the foreign exchanges, in order to prevent any unpredictable surges in the future.

Grain Exchange Formed To Improve Market Structure

MM2308092595 Moscow SELSKAYA ZHIZN in Russian 19 Aug 95 p 1

[Report by Yuriy Savin under the "From Chronicle of These Days" rubric: "Grain Exchange Founded"]

[FBIS Translated Text] The structures that form Russia's grain market have been reinforced. The Grain Exchange was founded in Moscow on Wednesday, 16 August. Representatives of over 50 organizations associated with grain production, use, and trade participated in the founding meeting held in the G.V. Plekhanov Russian Economics Academy. A report by Ye.S. Stroyev, head of Orel Oblast Administration and chairman of the Association of Chernozem Oblasts, on the desire of 10 of the region's organizations to be founders of the exchange was also read out.

The Grain Exchange is conceived as a noncommercial, nonprofitmaking organization with the rights of a legal person, with the aim of creating an organized grain market in Russia under the state's control. It is starting to operate on the basis of the Central Russian Universal Exchange, which is equipped with the necessary equipment and has four years' work experience. Here it is proposed to form price guidelines for the country's grain market.

The participants in the meeting adopted the exchange's charter, decided on the size of the founding contribution to the incorporation capital, and elected the leading organs. Academician B.I. Poshkus, vice president of the Russian Academy of Agricultural Sciences, was elected president of the Grain Exchange. A.V. Kholostov is the exchange's chief manager.

Banks Seek Guarantees for Loans to Farms

MM2208133195 Moscow IZVESTIYA (Financial Section) in Russian 22 Aug 95 p 2

[Article by Vladimir Prokhvatilov: "Russian Banks Intend To Finance Harvesting"]

[FBIS Translated Text] An important step has been taken along the road of commercializing the Russian agro-industrial complex. For the first time agreement has been reached on large-scale nonbudgetary financing of a harvesting company. "Menatep" and Oneksim Bank are prepared to fund purchases of the future harvest, chiefly grain, for the Federal Food Stock. The total amount of funding is around 4 trillion rubles [R]. The Federal Food Corporation has already received R550 billion of this sum. If the bank resources are allocated in full on the basis of firm guarantees of repayment, the Russian agro-industrial complex will at last cease to be one of the main factors in inflation in Russia. However, so far the mutually advantageous alliance between bankers and peasants has not been fully implemented.

Bankers and agrarians are still unable to agree on the machinery for granting credits. According to Gennadiy Kulik, one of the leaders of the Agrarian Party and deputy chairman of the State Duma Budget Committee, the following terms would suit country people: loans at 90 percent annual interest, of which 60 percent is compensated for by the Federal Food Corporation and 30 percent by the Finance Ministry. The bankers must recover the difference between this and the market interest rate for themselves by receiving the right to purchase a certain quantity of grain from agricultural producers at the initial price and selling it at an appropriate higher price.

As Andrey Popov, Agrarian Party expert and member of the State Duma Subcommittee on Banking Legislation, declared, the major banks are categorically refusing to do business and to reach agreement directly with agricultural producers because they have become convinced of their total irresponsibility. It is also impossible to reduce to an acceptable minimum the risks entailed in transactions involving large consignments of grain given the unpredictable economic situation. Furthermore, the bankers lack the requisite infrastructure for the storage and marketing of grain.

Bank experts also note the unrealistic stance adopted by the Ministry of Agriculture and Food regarding methods of repaying loans. The agrarians would like to repay debts not this year but next — and not from their own budget quota, but from funds entered in statewide expenditure under the heading "Other items." A deputy finance minister confidentially disclosed that [Finance Minister] V. Panskov is opposed to this option.

The Russian banks' tough stance is in many respects explained by the sad fate of last year's agrarian loans, which were not repaid but renegotiated, as a result of which the Agroprombank [Agro- Industrial Bank], formerly the major creditor of the agro-industrial complex, has among its assets instead of real money promissory notes for several trillion rubles and for the first time has been unable to finance the countryside. Clearly, other banks are reluctant to find themselves in their colleagues' shoes and are demanding guaranteed 100-percent compensation from the Finance Ministry. Experts attribute the major banks' refusal to purchase grain not so much to the peculiarities of the economic situation as to the traditional slipshod ways characteristic of our kolkhoz members. "We may agree on very acceptable terms for the purchase of grain," a representative of one bank said, "we will provide money that will disappear who knows where and that will never be repaid to us, and meanwhile they will steal the grain." Bank experts do not rule out the possibility that a compromise solution may be found. Probably payment "in kind" for the loans will be decreased, and monetary payment increased.

'Tyazhpromexport' To Build Steel Plant in India

MK2208134095 Moscow SEGODNYA in Russian 22 Aug 95 p 3

[Unattributed report: "'Tyazhpromexport' Will Build a Metallurgical Plant in India"]

[FBIS Translated Text] "Tyazhpromexport" intends to start the construction of a metallurgical plant in the Indian state of Orissa this coming October. Specialists of "Tyazhpromexport" and the private Indian company Ganapati are hoping to complete the design of the first stage of the plant, which will have an annual capacity of two million tonnes of steel. The total capacity of the enterprise, with integrated metallurgical production, will be five million tonnes of steel per year. The project, worth approximately $3 billion, is to be built in stages over five to seven years.

International Affairs

Udovenko Expresses Alarm Over Serb Plan in Gorazde

LD2208111095 Moscow INTERFAX in English 1004 GMT 22 Aug 95

[FBIS Transcribed Text] Helsinki, Aug 22 (INTERFAX-UKRAINE) — Ukraine is extremely concerned with the actions of Bosnian Serbs that would prevent a Ukrainian battalion from leaving Gorazde, Ukrainian Foreign Minister Hennadiy Udovenko said in an exclusive interview with INTERFAX-UKRAINE in Helsinki.

The minister is currently in Finland on a two-day official visit.

In the opinion of Udovenko, peaceful and free exit of the Ukrainian battalion from Gorazde is a task for the United Nations. He hopes that "common sense will win and the peace-makers will not be harmed."

The Bosnian Serb command has stated that the Ukrainian peacekeeping unit may only withdraw from Gorazde together with the arms and armor seized from it from the Bosnian Muslims. The unit was to be withdrawn from Gorazde under a decision of the UN force command.

Udovenko lamented that the Ukrainian servicemen "are subjected to permanent threats on the part of the warring sides." In his opinion, more active Ukrainian participation in peace-keeping operations will do nothing to further the peace process.

Asked about the Ukrainian attitude to US proposals on the Bosnian settlement, the Minister said the proposals "had been attentively studied. There have been plenty of proposals. They must be discussed and implemented with participation of the warring sides." Udovenko stressed this way had been suggested by Ukraine.

Deputy Foreign Minister Volodymyr Khandogy will leave for the conflict area today, Udovenko said. Khandogy will visit Belgrade and Zagreb for negotiations on Ukrainian participation in the Yugoslav settlement.

Delegation Leaves for FRY; Offers To Mediate

LD2208141795 Kiev UNIAN in Ukrainian 1200 GMT 22 Aug 95

[FBIS Translated Text] Kiev, 22 Aug — Ukraine is ready to assume the role of an unbiased mediator in the Balkan region, provided the warring sides agree, and offer a venue for a meeting of their leaders to negotiate a peaceful settlement, Ukrainian Deputy Foreign Minister Volodymyr Khandohiy said at a Foreign Ministry briefing prior to his departure today to the Federal Republic of Yugoslavia [FRY].

Khandohiy will head a Ukrainian delegation at talks with the FRY leadership on the settlement of the Yugoslav conflict.

According to Khandohiy, Ukraine's position on the issue is not colored by any special strategic interests or historical ethnic sympathies for any of the sides. He also stressed that Ukraine's initiatives are not intended to compete with any others.

The Ukrainian delegation is due to visit Zagreb on 28 August for talks with the Croatian foreign minister and representatives of Bosnia-Herzegovina.

Khandohiy said that during the Zagreb visit he will meet the Ukrainian peacekeeping battalion and its command, as well as the leaders of the UN peacekeeping operation in former Yugoslavia, to obtain information as to the future fate of Ukrainian peacekeepers.

Delegation Reaches Accord With Russia on BSF

AU2208181495 Kiev HOLOS UKRAYINY in Ukrainian 19 Aug 95 p 5

[Report by the INTERFAX-UKRAYINA Agency: "Two Draft Accords on the Black Sea Fleet Have Cast Off. They Are Now in... Bureaucratic Waters"]

[FBIS Translated Text] **The Ukrainian and Russian delegations have largely coordinated two draft accords on the Black Sea Fleet: one on the parameters of its division and the other on the status and terms for the presence of the Russian Federation's Black Sea Fleet on Ukrainian territory.**

The INTERFAX-UKRAYINA agency has learned from reliable sources in Kiev that the first draft accord envisages that the main base of the Russian Black Sea Fleet will be located in Sevastopol. At the same time, no list of concrete facilities has yet been agreed upon by the military experts.

According to this draft accord, the Black Sea Fleet will also use the Gvardeyskoye airfield outside Sevastopol and, temporarily until the end of 1996, the Oktyabrskoye airfield, where the 126th Coastal Defense Division is stationed (temporarily until it is disbanded), and facilities in the Pribrezhnoye settlement in Sudak Rayon and at Mamut Station. The ownership of several more facilities has not yet been determined.

The same accord is to specify the number of servicemen allowed to remain on Ukrainian soil.

The draft accord on the status and terms for the Russian Black Sea Fleet's presence in Ukraine specifies that military formations of the Black Sea Fleet must limit their activity to places where they are stationed in line with Ukrainian legislation and cannot interfere into Ukraine's internal affairs.

Provided that they give advance notification to the appropriate Ukrainian authorities, the Black Sea Fleet's warships and vessels may sail within the country's territorial waters if they need to enter (or exit) those Ukrainian ports where the fleet's subdivisions are stationed.

Black Sea Fleet servicemen will receive their payments and salaries in the Ukrainian national currency.

The two accords must come into effect on the day that the last note is exchanged by the two sides, confirming that all the internal procedures have been followed necessary to make the accords valid.

The only issue in the text of the accord that remains uncoordinated is the length of its validity. In the opinion of members of the Ukrainian and Russian delegations, this question — the duration of the Black Sea Fleet's stationing on Ukrainian territory — must be resolved by the presidents of the two countries.

As stipulated by the Sochi agreements, the Ukraine and Russia Governments must also sign a series of other accords on the utilization of aquatic areas and also on mutual settlements connected with the presence of the Black Sea Fleet on Ukrainian territory.

Kuchma 'Ready at Any Moment' To Sign BSF Agreement

LD2208144295 Moscow Mayak Radio Network in Russian 1400 GMT 22 Aug 95

[FBIS Translated Text] Leonid Kuchma, president of Ukraine, has told journalists that Ukraine is ready at any moment to sign an agreement with Russia on dividing the Black Sea fleet.

Leonid Kuchma spoke in Sevastopol following his visit to the Ukrainian Navy's Hetman Sagaidachny patrol ship [as heard]. According to the president, the signing of the agreement is 99 percent dependent on Russia. Kuchma stressed that equal relations must be maintained during the negotiating process.

Speaking of the problems of building Ukraine's own fleet, Leonid Kuchma noted that the republic must have a fleet which it will not be ashamed of. A vessel-building program will therefore be drawn up.

Kuchma - BSF Problems Remain Unsolved

LD2208150295 Kiev UNIAN in Ukrainian 1420 GMT 22 Aug 95

[FBIS Translated Text] Sevastopol, 22 Aug — Ukrainian President Leonid Kuchma told journalists today he has no illusions about the future of the Black Sea Fleet and the problem would remain unsolved until the Russian presidential election. He was speaking aboard the Ukrainian navy flagship, Hetman Sahaydachnyy.

Kuchma said he came to Sevastopol to see the life of navy personnel so as to make appropriate adjustments to the state program for the development of the Ukrainian fleet.

He said he realizes that Russia has strategic interests in the Black Sea and that the problem lies not in the fleet division but in the location and terms of the Russian Black Sea Fleet's deployment.

The Ukrainian president was accompanied by Valeriy Pustovoytenko, minister of the Cabinet of Ministers, Volodymyr Radchenko, Chairman of the Ukrainian Security Service, Internal Affairs Minister Yuriy Kravchenko and Ukrainian Navy Commander Volodymyr Bezkorovaynyy.

Basayev's Threat of Nuclear Terrorism Assessed

MK2308080895 Moscow ROSSIYA in Russian No. 27, 23-29 Aug 95 pp 1-2 (Signed to press 22 Aug 95)

[Report by Vladimir Kolinko under the "Investigation" rubric: "Do Nuclear Terrorists Have a Chance?"]

[FBIS Translated Excerpt] The head office of the Kiev-based "Izotop" firm has received a message from the Russian Federation Emergency Situations Ministry requesting information on the delivery of industrial and medical equipment containing radioactive substances to Chechnya.

"Unfortunately, we could not give the Russians full information," Aleksandr Solod, general director of "Izotop," told me. "Until 1991, while still a regional structure, we supplied radioactive materials and equipment not only to Ukraine, but also to a number of oblasts in Belarus, Russia, and the North Caucasus, including Chechnya. But after the breakup of the USSR a considerable portion of this documentation was lost."

Presumably, the Emergency Situations Ministry's request is related to Shamil Basayev's threat to carry out terrorist acts using radioactive substances. If this is so, ministry officials should be given credit for taking the threat seriously. This cannot be said about their counterparts from the Russian Federation Atomic Energy Ministry. For instance, Viktor Roshchin, deputy chief of the Main Administration for the Protection of Information, Nuclear Materials, and Facilities, said recently (KOMSOMOLSKAYA PRAVDA on 22 July 1995): "I think Shamil Basayev is bluffing. In Russia, a highly reliable system of protecting and guarding nuclear facilities, munitions, and materials is in place. " Once in the hands of the uninitiated, a nuclear charge would allegedly just remain pig iron.

But Basayev was talking about something else. Not about a nuclear bomb or the threat of a nuclear explosion, but about two flasks with a radioactive substance that could be scattered on the street of a Russian city or town, after which cars would spread the isotope-laden mud over the environs, contaminating them. And this is a fairly realistic threat. [passage omitted]

"I have not the slightest doubt as to the reality of nuclear terrorism," Ilya Likhtarev, an internationally renowned scientist and director of the Ukrainian Radiation Protection Institute, said. "I cannot speak about such possibilities in detail, specify them or characterize this or that equipment or facility, since this could do a disservice as a hint to potential terrorists. But this is fully realistic. What can be targeted is not the well-protected nuclear power plant itself, but a storage facility of spent nuclear fuel located on its territory, which is just as dangerous. Even fresh nuclear fuel, which, as a matter of fact, one can keep at home without running the risk of self-irradiation, can become a weapon in the hands of a nuclear terrorist."

As for radioactive substances, the issue is first of all cesium and cobalt. It has become more difficult to transport them clandestinely, particularly in the current conditions of tighter control on the part of the responsible services. But there can be attempts to seize them in order subsequently to blow up industrial or research facilities. There are many such facilities and they are guarded much less strictly than nuclear reactors.

Plutonium may become a terrible weapon in the hands of a terrorist. As an aerosol or fine dust this most dangerous source of alpha-particles could do immense damage to the health of thousands of people. At the same time, it does not pose a serious hazard to the person who carries it in a container; it can be detected by special equipment. Let us hope that, despite reports that have been regularly emerging in the press about attempts to smuggle plutonium into Western Europe, this metal will never find its way into the hands of terrorists.

"I am familiar with the system of producing and storing plutonium at enterprises of the Russian Federation," Viktor Gavrilyuk, deputy director of the Nuclear Research Institute of the Ukrainian National Academy of Sciences, told me. "I dare say that this system is insured against any mishaps or misfortunes. Let's even imagine that the impossible has occurred and a small container with plutonium that can be easily hidden and transported has ended up in the hands of terrorists. Can one imagine that the bandits would venture to use it? I am certain that they could resort to blackmail, but they could not carry out the threat, for the consequences of such an action are so terrible that this would mean becoming fully isolated from the rest of the world, eliciting hatred from the entire world community." [passage omitted]

Debt to 'Gazprom' To Be Paid by State Bonds

MK2308084295 Moscow KOMMERSANT-DAILY in Russian 22 Aug 95 p 5

[Report by Aleksandr Pivovarov, Igor Trosnikov: "Ukrainian Debts Will Be Traded in Russia"]

[FBIS Translated Text] On 1 September 1995, the Ukrainian Government, in accordance with its agreement with the "Gazprom" joint-stock company, will transfer to this company bonds worth $1.4 billion to settle its debt for gas supplies. In theory, this means that a new sector may emerge on the Russian financial market, whose capacity is comparable with that of the market for short-term state bonds.

The "Gazprom" Joint-Stock Company and Debts of the Ukrainian Government [subtitle]

In February 1995, a Ukrainian governmental delegation signed in Moscow, jointly with the "Gazprom" joint-stock company, a protocol defining the procedure for restructuring the debt for gas supplies to Ukraine in 1994. Specifically, the $500-million Ukrainian debt was to be restructured, with payments deferred for 5-6 years. A separate agreement on this matter was expected to be signed before the end of March. Another $500 million were to be redeemed by supplying material and technical resources. In addition, $100 million were supposed to be repaid by building facilities for "Gazprom," and $200 million were to be received by this company in the form of shares of Ukrainian enterprises. The list of the latter was prepared by "Gazprom" virtually within a few days. It included 15 companies: the "Yuzhniigiprogaz" joint-stock company (Donetsk); the "Gazeksport" joint-stock company; the "Kievspetskomplektgaz" joint-stock company; the "Zakarpatspetskompleksgaz" joint-stock company; the Nikopol Ferroalloy Plant (Nikopol); the "Azot" industrial association (Dneprodzerzhinsk); the "Azot" lease enterprise (Rovno); the

"Oriana" concern; the Vinnitsa Chemical Works; the Nikolayev Aluminum Plant; the Odessa Port Plant; the "Azot" association (Severodonetsk); the "Azot" joint-stock company (Cherkassy); the Zaporozhye Ferroalloy Plant; and the "Stirol" joint-stock company. All of these enterprises are either part of the infrastructure ensuring the transit of gas across Ukrainian territory, or the "cream" of Ukrainian industry, manufacturing products that are competitive on Western markets and form the basis of the country's export potential.

"Gazprom" laid claim to a share amounting to 35-50 percent of the authorized capital at each of the above enterprises. The shares of these enterprises were to be transferred in order to redeem the $200-billion portion of "Ukrgazprom's" debt for natural gas supplies from Russia.

After the end of the winter, however, the problem of the Ukrainian debt had to be viewed from another angle. On 9 March, Michel Camdessus, IMF executive director, arrived in Moscow. One day later, he and Boris Yeltsin signed an agreement on granting Russia a stand-by credit. One of the conditions for receiving the IMF's assistance was to restructure Ukrainian debts, which, in fact, invalidated all previous decisions as to how to settle the problem of the Ukrainian debt to "Gazprom." Instead, during the visit by Russian First Deputy Premier Oleg Soskovets to Kiev on 20 March, an intergovernmental agreement "On the Principles of Settling Ukraine's Debt for Natural Gas Deliveries from Russia in 1994 and Ensuring Current Payments for Natural Gas Deliveries in 1995" was signed.

At the same time, the Ukrainian Government and "Gazprom" signed an agreement on having $1.4 billion reformulated as a Ukrainian state debt. Kiev was permitted to defer its payments for 12 years, with a two-year grace period. Of course, the agreements signed in Moscow and Kiev do differ to a considerable extent, but "Gazprom" had no other option — the fulfillment of the February agreement by the Ukrainian side was unlikely and, in addition, Russia did need the IMF credit.

Advantages and Disadvantages of the Ukrainian Bonds

Thus, before 1 September, the Ukrainian Government must issue bonds for the total amount of $1.4 billion. After this, the securities (280,000 bonds at the nominal value of $5,000) will be transferred to the "Gazprom" joint-stock company to settle the debt for gas supplies. Here, however, a quite logical question arises: What will "Gazprom" do with its bonds?

Of course, "Gazprom" can wait until the securities are redeemed and finally receive both the basic debt and the interest on it (the first payments will be effected on 4 October). Such developments, however, seem to be unlikely. As mentioned earlier, terms and conditions for the issue of bonds envision that they will be redeemed in the course of 12 years (until 2008). "Gazprom" can hardly be ascribed to those enterprises that need no money. Therefore, it can be presumed that the company will sell some of the bonds on the secondary market. An alternative decision, envisioning the receipt of credits against the pledge of securities, is also probable and would even be preferable for the company.

In any case, however, "Gazprom" needs a liquid secondary market for bonds. It should be noted that the company, after all, has indeed started to mold it. For instance, last week "Gazprom" signed an agreement with "Natsionalnyy Kredit" [bank], whereby the bank becomes an authorized depositary to operate on the market for these securities.

The Ukrainian securities, however, can evoke investors' interest even without this. For instance, the time schedule for quarterly interest payments in [Ukrainian] coupons seems to be very convenient (it will be recalled that the interest on Finance Ministry bonds is paid once a year). True, the annual interest — 8.5 percent — does not seem to be very high by itself, but the bonds are sure to be sold at a discount. In addition, no special licenses by the Central Bank will be needed for transactions in the Ukrainian Government's bonds, since their market will operate within the framework of the intergovernmental agreement. No less significant is the fact that revenues from these securities (including those from purchase and sale transactions) will not be subject to taxation.

This notwithstanding, there are several aspects that call for great care in assessing the prospects of the new securities. Without doubt, it will take some time for the market of Ukrainian debts to attain the proper liquidity level. First of all, with all respect to the Ukrainian Government, it should be noted that it has no "credit record" of any kind yet. In other words, potential participants in the bonds market have no grounds to trust an issuer that, until now, has redeemed no securities. Therefore, any final conclusions can be drawn only in 1997, when the first series of bonds will be redeemed. A parallel with the Vneshekonombank securities — whose market started to function for real only after their first tranche had been redeemed — is quite appropriate here.

The fact that the bonds can be used to take part in the privatization of Ukrainian enterprises will hardly have any significant impact on investors' interest, either. They will be able to participate only on general terms, which by no means warrants that transactions of this kind will be a good bargain. In addition, the Ukrainian State Property Committee is sure to do its best to secure a controlling shareholding of the most "attractive" enterprises as state property.

Finally, "Gazprom's" choice of "Natsionalnyy Kredit" bank — whose financial problems have lately been much talked of — as a depository does not seem quite logical. For instance, "MFK-Moskovskiye Partnery" bank staffers noted that the probability of working with "Natsionalnyy Kredit" causes concern. "Alba-Alyans" bank officials agreed with such an assessment and said that "Natsionalnyy Kredit's" rating is, after all, somewhat different from that of Vneshtorgbank — the depository of the Finance Ministry's hard currency bonds.

On the whole, however, participants in the hard currency bonds market (since it is they — in view of the similarity of these two financial instruments — that can be interested in the Ukrainian securities more than anyone else) were rather reserved in their judgments. They commented that many details regarding the issue of the bonds and how their secondary market will be organized are as yet unavailable, and therefore it is too early to say anything definite about this.

Economic Cooperation Established With Pakistan

LD2208182795 Moscow INTERFAX in English 1459 GMT 22 Aug 95

[FBIS Transcribed Text] Islamabad, Aug 22 (INTERFAX-UKRAINE) — Ukrainian Defense Minister Valeriy Shmarov arrived in Pakistan on an official visit Tuesday, an INTERFAX-UKRAINE special correspondent reports.

At the meetings with Pakistani defense and foreign ministers Shmarov said that it is necessary to re-establish the economic and political relations that the two countries had before.

He said that Ukrainian Prime Minister Yevheniy Marchuk would visit Pakistan in the near months. It is desirable that concrete documents on bilateral relations be drafted by the time of the visit, said Shmarov.

These documents should include a trade and economic agreement, a series of other economic documents, as well as agreements on military and military-technical cooperation, he said.

Speaking about diplomatic relations, Shmarov proposed that the countries exchange honorary consuls as a first step in developing these relations.

According to Pakistani Foreign Minister Sardar Ahmad Ali, Pakistan and Ukraine could cooperate in various economic sectors, including in the service sector. He also said that Pakistan could import sunflower oil from Ukraine. Pakistan spends about $1 billion a year on importing this oil, he said.

At the meeting with Shmarov Pakistani Defense Minister Aftab Shaban Mirani said that his country will do everything possible to secure the release of Ukrainian citizens taken prisoner by Afghan mojahedin.

Shmarov stressed that "these efforts get positive assessment both in our country and in the whole world. If something could be done on the issue by the time of Ukrainian prime minister's visit, it would be a good contribution to our relations."

National Affairs

Edicts Signed on Crimean Premier, Property Fund

LD2208145795 Moscow INTERFAX in English 1412 GMT 22 Aug 95

[FBIS Transcribed Text] Kiev, Aug 22 (INTERFAX-UKRAINE) — Ukrainian President Leonid Kuchma has signed a decree on the Crimean executive power.

Under the decree, the Crimean prime minister will be appointed and dismissed by the Crimean parliament in coordination with the Ukrainian president in the period until the new Ukrainian Constitution's adoption. The Crimean prime minister will coordinate with the Crimean parliament for the appointment and dismissal of other members of the cabinet.

The decree recognizes as invalid provision one of the Ukrainian president's decree of March 31, 1995, under which the Crimean cabinet was subordinated to the Ukrainian cabinet of ministers.

Under the president's decree, district state administrations are to be organized in Crimean districts. The district administrations will be subordinate to the Ukrainian cabinet of ministers and president.

Kuchma also signed a decree on bodies for privatization in the Autonomous Republic of Crimea under which the Crimean Property Fund will be created. The fund will be created on the basis of the Ukrainian State Property Fund's regional branch and the Crimean State Property Fund which will be abolished.

Marchuk: Government Preparing Social Security Program

LD2208195695 Moscow INTERFAX in English 1721 GMT 22 Aug 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] The government is preparing a social security program, which it will put before parliament before September 10, Prime Minister Yevheniy Marchuk said on Tuesday [22 August].

"The current dislocation in Ukraine will be defeated in any case," Marchuk said during a visit to Kharkov. He called for rebuilding the country's economic links with other former Soviet republics but "naturally on a new basis."

He said there was a plan to set up an emergencies ministry, a "decentralized" governmental body. Specifically, there would be several fully equipped centers with trained personnel in various parts of Ukraine.

The premier, among other things, visited a water purefying plant an accident at which earlier led to the serious contamination of water in the city's mains.

Marchuk Briefs Business Chiefs on Closing Chernobyl

LD2208203095 Moscow INTERFAX in English 1747 GMT 22 Aug 95

[FBIS Transcribed Text] Kharkov, Aug 22 (INTERFAX-UKRAINE) — The Ukrainian leadership does not intend to consider closing down the Chernobyl nuclear power plant without dealing with the social problems of the residents of Slavutich and the dumping of 2,000 tonnes of nuclear waste, Ukrainian Prime Minister Yevheniy Marchuk said Tuesday [22 August].

An Interfax - Ukraine correspondent reports from Kharkov that Marchuk told directors of major industrial enterprises of Ukraine that closing down the Chernobyl plant and building new power plants to compensate for the losses will require at least $4 billion.

According to Marchuk, Ukraine expects grants rather than credits from the E.U. and G7 countries to close down the plant.

Presently three foreign companies, ABB, Siemens and Westinghouse, have submitted their projects involving the closure of the Chernobyl plant and the building of new ones.

However, only one of them has agreed to invest in the construction of a new storage facility for used nuclear fuel and to provide social guarantees to Slavutich residents.

Marchuk Wants No Violence for Volodymyr Commemoration

LD2208195495 Moscow INTERFAX in English 1734 GMT 22 Aug 95

[FBIS Transcribed Text] Kharkiv, August 22 (INTERFAX-UKRAINE) — Ukrainian Prime Minister Yevhen Marchuk hopes that in the course of functions tomorrow in commemoration of the 40th days since the demise of Patriarch Volodymyr of Ukrainian Orthodox Church — Kiev Patriarchate (UOC-KP), there will be no repetition of the events of July 18. He made the statement to this effect at a press conference in Kharkiv on Tuesday.

During the funeral of Patriarch Volodymyr on July 18, the mourners clashed with the police, as a result of which around 70 persons were injured.

Yevhen Marchuk pointed out that "the organizers of the functions promised to refrain from the use of force." He expressed the view that if "violence erupts, all responsibility will be borne by the organizers of the functions."

Answering the question about the further prospects of the Public Russian Television in Ukraine, Yevhen Marchuk said that this question will be brought up for discussion at the meeting with Russian Prime Minister Viktor Chernomyrdin in September. "If questions pertaining to funding are settled, we will only welcome the broadcast of both Public Russian Television and other channels," the Prime Minister stressed.

Government Appeals Against Religious Confrontation

LD2208162695 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 22 Aug 95

[FBIS Translated Text] Ukrainian Radio World Service has received the following text of a Government appeal to church leaders, the clergy, the faithful, and all Ukrainian citizens.

Esteemed church representatives and countrymen! The attention of the public at large, the media, political parties and movements, and believers has been drawn lately to events surrounding the funeral of Patriarch Volodymyr (Romanyuk), leader of the Ukrainian Orthodox Church (Kiev Patriarchate). As you know, the patriarch's funeral was used by certain political forces, including ultra-radical groups, to destabilize the political situation in the country, provoke a conflict between one of the churches and the state, and to bring about tension within society. This was done in gross violation of the active legislation, which led to clashes between law enforcement officers and members of the funeral procession. Innocent people suffered. No matter which side they were on, they are our countrymen, our citizens, and it is the duty of the Ukrainian Government and the state to guard their interests and safety.

Ukraine's President Leonid Kuchma has issued a comprehensive assessment of these events. All the circumstances involved are being investigated and those guilty will be made liable. The conflict on 18 July was a serious lesson to all, a grave warning, proving once again that there will be no civil peace, public harmony, or interethnic accord in Ukraine as long as confrontation between churches is used for the sake of short-term political gains. The Government is very much aware of the important role played by the church in the development of a democratic independent Ukraine, and is trying to provide maximum assistance to the creation of proper conditions for religious institutions to fulfil their noble mission and their higher calling. Ukraine is today a multi-denominational state with some 17,000 communities belonging to almost 70 religious movements. The state takes care to ensure full legal rights for all religious organizations, recognizes and protects their full equality before law.

The Ukrainian Orthodox Church (Kiev Patriarchate) occupies a worthy place among religious denominations, with some 2,000 communities, 15 monasteries, and 11 religious schools. It has all the necessary infrastructure for its future establishment and development. This is the best evidence of the state's unbiased and non-discriminatory attitude toward the church, which some clergymen and politicians are reluctant to recognize. The Ukrainian Government believes it is absolutely unacceptable to form any special relationships between power structures and individual churches, and to give them advantages over other religious organizations. It does not support the calls and ambitions to create an artificial state religion. Our state should not divide churches into national and alien, wherever their centers may be located.

Of course, the existence of a divided orthodox community in Ukraine is an unwelcome phenomenon. It causes complications in relations between churches, and is not conducive to the consolidation of society and the strengthening of its state-building foundations. However, this issue must be dealt with by the churches themselves, who should determine the procedure and ways of unification. The state is interested in such a process and would welcome its development. Therefore, the attempts to lay the responsibility for church affairs at the door of the state, specifically the Government, and to blame it for the conflict on 18 July this year are unjustified.

Unfortunately, various insinuations continue to circulate. Provocative reports are being spread about people who allegedly died from wounds received during the conflict, and some sort of desecration at the late patriarch's grave. Official authorities have repeatedly refuted these reports. However, some representatives of the Ukrainian Orthodox Church (Kiev Patriarchate) and political parties deliberately continue to aggravate the situation and provoke new conflicts. This became particularly prominent on the eve of the 40th day following the patriarch's death. Among other accusations brought against the authorities is the refusal to grant permission for the patriarch's reburial in the grounds of St. Sophia of Kiev state sanctuary. According to authoritative experts, St. Sophia Cathedral cannot be regarded as a place of burial. It is a unique collection of 11th century historical and cultural monuments, listed by UNESCO as a landmark of world importance, and proclaimed a national sanctuary in a Ukrainian presidential decree. The Ukrainian state is responsible before the world community for the preservation and protection of this monument. Ukrainian legislation bans any architectural changes, excavations, or construction work in the grounds of the cathedral and within the conservation area.

An acceptable and worthy place for Patriarch Volodymyr's burial would be either Vydubichi Monastery, one of the oldest Christian sanctuaries founded in the 11th century, where a number of top Orthodox clergy are buried, and which remains a functioning monastery of the Ukrainian Orthodox Church (Kiev Patriarchate). Moreover, the family of the deceased have officially expressed their wish to bury the patriarch in this location. The golden domed St. Michael's Monastery, with a famous and long history, was once the residence of Kiev Orthodox metropolitans, and parts of it have been returned to the Ukrainian Orthodox Church (Kiev Patriarchate). St. Vladimir's Cathedral is the main functioning place of worship of the Ukrainian Orthodox Church (Kiev Patriarchate).

The Theophanes of the Caves Church is a famous monument of the 17th century Ukrainian baroque, the venue of the late patriarch's last services. Unfortunately, the leaders of the Ukrainian Orthodox Church (Kiev Patriarchate) have declined all these proposals. Therefore, the responsibility for the settlement of this issue within the bounds of the active legislation rests entirely with the church.

The Ukrainian Government, for its part, appeals for cooperation and guarantees strict compliance with the laws and protection of believers' rights and freedoms. On the 40th day following the patriarch's death — 23 August this year — a religious procession, a prayer service, and a rally will be held near St. Sophia Cathedral with the permission of Kiev city state administration. These events coincide with the national celebration of Ukraine's Independence Day. The Government calls on all church leaders, the clergy, and the faithful in Kiev and all Ukraine, to ensure that these events are held in a worthy manner, in the spirit of Christian canons and traditions, and use their authority and influence to strengthen peace and accord in society in the name of the Ukrainian state's consolidation and the Ukrainian people's spiritual and national revival. We also urge all public organizations, political parties and movements, to abide by Ukrainian laws, respect the rights and feelings of believers, abandon attempts to manipulate the church for the sake of group interests, and refrain from interfering in the sphere where the church should have the final say.

Miners Strikes Due To Delay in Pay

LD2208202495 Moscow INTERFAX in English 1734 GMT 22 Aug 95

[FBIS Transcribed Text] Donetsk, August 22 (INTERFAX-UKRAINE) — Miners of the "Ukraine" mine of Selidovugol production amalgamation (Donetsk Region) laid down tools on Tuesday because of the delay in pay.

Ivan Morozov, Director General of the Selidovugol production amalgamation, said in an interview with an INTERFAX-UKRAINE correspondent that "money promised by the Cabinet had not come on the production amalgamation's accounts by August 21." "The administration of the mine has nothing to say to the working people in answer to their demands."

I.Morozov evaluated the situation at the mines of the Selidovugol production amalgamation as "extremely bad". He disclosed that miner's shifts of different mines periodically refused to start work because of the delay in pay.

In I.Morozov's opinion, the practice of delay in pay may provoke a wide-scale strike of Ukrainian miners.

Earlier the Ukrainian Cabinet recommended consumers of coal to take credits from banks to pay their debts to the miners. But, in his words, the debtor plants take unwillingly these credits because of the high, in their opinion, interest rates on these credits.

The Selidovugol production amalgamation includes eight mines. The total number of personnel is about 20 thousand.

Economic Issues

Economy Minister Views Reform Pace, Sets Goals

AU2208140295 Kiev URYADOVYY KURYER in Ukrainian 17 Aug 95 p 3

[Interview with Vasyl Mykolayovych Hureyev, Ukraine's minister of economy, by URYADOVYY KURYER correspondent Volodymyr Ilchenko: "I Consider Myself a Practical Economist" — first paragraph is URYADOVYY KURYER introduction]

[FBIS Translated Text] Vasyl Mykolayovych Hureyev has become minister of economy, having risen to this step in his career from the post of deputy minister. He was born in 1952 in Mariupol, graduated from the Kiev National Economy Institute, worked as deputy general director at the "Kyyivprylad" [Kiev Instruments] Production Association, then at the Ministry of Machine Building Industry, and at the Ministry of Economy. He is married and has a 16-year-old daughter.

[Ilchenko] Vasyl Mykolayovych, today, one can differentiate between two groups of economists within the executive power structures. They advocate somewhat dissimilar ways of reforming Ukraine — macroeconomist reformers and industrialists. With which of the groups do you identify?

[Hureyev] I spent my labor life in the production sector. I worked at the Mariupol "Azovstal" [Azov Steel] Plant; then there was the army service, and then the "Kyyivprylad" Production Association. I worked at the latter enterprise for more than 15 years at various posts — from shop foreman and economist to deputy general director.

That is why I rather consider myself to be a practical economist and not a scientist, and I am not going to conceal this.

After the plant, I worked at the Ministry of Machine Building Industry. That was the period when conversion started at defense industry enterprises and the process of establishing the Ministry of Machine Building, Military Industrial Complex, and Conversion was in progress.

I have been working at the Ministry of Economy for more than two years. It goes without saying that, as a practical specialist, I know more about reforms at the microlevel. However, of course, any undertaking, even at a macrolevel, affects production. As we adopt decisions at the macrolevel, we also alter the industrial policy. I believe that we should not divide reform trends into purely industrial and purely macroeconomic ones.

The president proclaimed the course toward reforms, and the parliament supported it. The decisions must be fulfilled. This is our main task.

We have already done much at the macrolevel, but structural transformations in material production are lagging behind somewhat. However, this does not mean that we must cross out what has been done or change the course. We must proceed along this course and adjust what still lags behind.

[Ilchenko] An amendment to the course of economic reforms has been proclaimed.... How do you assess the results of the first period of reform?

[Hureyev] In early 1995, as a result of implementing a number of measures to achieve macroeconomic stabilization, there appeared certain signs of improvement in the general economic situation. We can now speak about slowing down the decline in the main macroindexes and volumes of production: The GDP decreased by 10.7 percent over the period from January to May, and the volume of industrial production over the first six months of the year decreased by 13.6 percent.

The level of inflation is under control. The index of inflation in July was 105.2 percent (in January, it was 121.2 percent; in February — 110.1 percent; in March — 114.4 percent; in April — 105.8 percent; in May — 104.6 percent; and in June — 104.8 percent). Although in August, the stability of the karbovanets has staggered. The process of price liberalization is at the stage of completion. The interest rates on bank credits go down — some credit investments have gone into production.

However, the stabilization processes that were initiated in the first quarter of the year have turned out to be rather unstable. In the second quarter, the economic situation again became perceptibly complicated — the decline in industrial production in April, May, and June (by 7.5; 1.0; and 1.5 percent respectively, relative to the preceding month) brought about a deterioration of the economic situation.

Despite the positive changes that took shape in the economy, some negative factors are still at work.

Volumes of nonpayments are growing and external debt is increasing. Credit indebtedness between Ukrainian enterprises and organizations, on the one hand, and CIS and Baltic countries, on the other, is growing. Our indebtedness to trade partners in Russia and Turkmenistan accounts for 96.5 percent of the total debt. However, it is necessary to stress the positive fact that credit indebtedness to Turkmenistan is decreasing.

The efficiency of labor continues to decrease, and this leads to a relative reduction of the budget revenue. The returns to the consolidated budget are lower than planned.

Investment activity is on the decline, and measures for restructuring the economy are hardly put into effect.

Unfortunately, the pace of privatization continues to be slow, and this will not make it possible, this year, to achieve an appreciable expansion of the market environment or to intensify competition on the consumer market. There is no mechanism for enterprises' bankruptcy, and as a result, the number of unprofitable enterprises continues to grow.

A considerable part of the economy remains in the "shadow sector" — there are no mechanisms for statistical inspection of the sector and no action is taken by tax inspection authorities to keep corresponding records.

Speeding up reforms is regarded as the only condition for overcoming the crisis. Success of the reforms depends upon the comprehensive character, integrity, and interrelation between the measures being implemented and, especially, upon understanding by our society of the essence of transformations.

An analysis of the economic situation that has taken shape in Ukraine shows that, for halting the destructive processes in the economy and for creating a fundamentally different system of economic relations, it is necessary to introduce a series of important changes into the strategy and tactics of the economic policy, to expedite economic reforms, and to see to it that they be adjustable and comprehensive.

The Ukrainian presidential speech "On the Main Principles of the Economic and Social Policy" (October 1994) and the Address to Ukraine's Supreme Council (April 1995) set strategic tasks and the general logic of further economic reforms that would ensure balance of actions of all structures of the executive power.

The signing of the Constitutional Accord created new preconditions for economic development — a possibility for executive power bodies to resolve complex and crucial tasks of the economic policy on the basis of achieving political stability in our society.

It is necessary to shift the main accents in the economic policy from the macroeconomic level to the need to stabilize lower levels of the production process.

[Ilchenko] Your direct supervisor Roman Shpek was, until recently, minister of economy and has now become your boss in the capacity of deputy prime minister for economic issues. Will this somehow affect your relationships?

[Hureyev] You see, I am not so much concerned about my relations with deputy prime ministers — even though I am on excellent terms with them — as about questions of organizing work of the ministry's collective. This is a large and highly experienced collective that needs to be kept and oriented toward the fulfillment of urgent tasks that face our economy.

[Ilchenko] Obviously, every person, who gets a new high post, plans some changes and improvements and sets priorities in his work. What are your priorities in the capacity of the leader of the Ministry of Economy?

[Hureyev] I would like, during my tenure in this office, to see to it that we build such relations in the economy that would rule out a decline in production and that would help resolve social problems, in particular, in what concerns remuneration for labor and employment. I would like to restructure production so that it would function in market conditions. A resolution of these problems at the level of enterprises will enable us to make further steps toward reforming the economy.

[Ilchenko] Vasyl Mykolayovych, as is known, you were in charge of the fuel and energy complex at the Ministry of Economy. Will the power engineering gain from having its boss at the ministerial post?

[Hureyev] The power engineering will generally gain if we adopt, first and foremost, the state program for the development of power engineering by the year 2010. This question was discussed by the parliament. It is essential that we manage, at a state level, to adhere to the right policy of energy conservation. This involves a whole complex of tasks — from the tariffs policy as applied to energy sources and mechanisms for payment for them to technological reequipment of enterprises aimed at reducing energy consumption.

[Ilchenko] What do you mean by the notion "adjustable" reforms? Does this imply administrative regulation?

[Hureyev] Today, due to the slow pace of privatization processes, the state sector of the economy prevails over other sectors. This makes it possible for both efficient and unprofitable enterprises to exist. This is despite the fact that it is no longer possible to support enterprises at the expense of the budget. Faster privatization processes will enable us to create a new market environment. Our task is to ensure such economic conditions that will require almost no administrative intervention.

[Ilchenko] One last question, Vasyl Mykolayovych, how do you envision a future Ukraine personally and from the vantage point of the Ministry of Economy — industrial, agrarian, or commercial-speculative?

[Hureyev] I envision Ukraine as a state with advanced industry and agriculture — we have an enormous potential!

Economic Situation Termed 'Catastrophic'

LD2208164495 Kiev UNIAN in Ukrainian 1420 GMT 22 Aug 95

[FBIS Translated Excerpt] Kharkov — "The situation in the Ukrainian economy is catastrophic," Ukrainian Prime Minister Yevhen Marchuk, on a working visit to Kharkov today, told a meeting with the eastern Ukrainian city's local authorities and captains of industry. Yevhen Marchuk added: "We are approaching an abyss and facing an energy crisis which, earlier, has already shocked some of the post-Soviet states."

He pledged that the bulk of the government's activities will now focus on industrial production; this does not, however, mean disregarding or belittling the role and significance of macroeconomic factors.

Important steps will be taken in this respect, in Yevhen Marchuk's words, to curb the payments crisis, to launch energy-saving technologies, and to decouple social spending from production and thus to reduce its prime cost. [passage omitted]

List of Monopolistic Companies in Kiev Endorsed

LD2208202395 Moscow INTERFAX in English 1734 GMT 22 Aug 95

[FBIS Transcribed Text] Kiev, August 22 (INTERFAX-UKRAINE) — Chairman of the Kiev branch of Ukraine's Anti-Monopoly Committee Mykola Lysytskiy has endorsed a list of monopolistic companies on the Kiev market.

In an interview with INTERFAX-UKRAINE he said that the list has been made in keeping with the procedure endorsed by Ukraine's Anti-Monopoly Committee for determining the monopoly market position of entrepreneurs.

According to M.Lysytskiy, a monopoly position is believed to be a dominating position of an enterprise which enables the enterprise as such or jointly with other companies to limit competition on a certain commodity market. An enterprise will be referred to as a monopolist if its share on a certain commodity market is in excess of 35 percent.

The list singles out so-called subjects of natural monopolies. It includes fifteen entrepreneurs enabled due to large scale of production to meet the demand in the market with less outlay per unit of product than two or more economic entities.

In Lysytskiy's words, the decision on the monopolistic market position of enterprise has been made on the basis of current statistics data, the information provided by entrepreneurs on inquires from the Anti-Monopoly Committee, as well as investigations into facts of breaches of the anti- monopoly legislation.

In addition, forty enterprises are currently operating in Kiev with a monopolistic position in the Ukrainian market. The list of monopoly companies will have been completed by early in October, INTERFAX-UKRAINE was told at the Ukrainian Anti-Monopoly Committee.

Firms Oppose International Tender on Oil Extraction

WS2308092495 Lvov INFOBANK in English
0725 GMT 23 Aug 95

[From the "News Service" feature]

[FBIS Transcribed Text] According to information provided by the CITY TELERATE agency, a decision made by the State Committee for Geology and the Use of Underground Resources and the State Committee for the Oil, Natural Gas and Oil Refinery Industries to organize an international tender for the rights to explore and extract oil in Ukrainian waters in the Black Sea has already been opposed by certain Ukrainian oil firms and research institutes. They are unhappy with the government's intention to bring major foreign investors into this region since Ukrainian companies often lack the funds necessary to take part in tenders.

Volodymyr Byelskyy who heads the administration of tender commissions within the State Committee for Geology and the Use of Underground Resources reported that at the tender's first licensing round, an 80,000 square kilometer area of Ukrainian waters in the Black Sea will be offered. Of 170 blocks within this area (each block being 470 square kilometers), 150 will be offered in the tender since the remaining 20 blocks are located in an area being contested by neighboring countries. The Bulgarian firm Eastern Oil Services Ltd is helping to organize the tender. One condition of the tender is that no less than 15 percent of the costs already spent on seismological tests conducted according to Eastern Oil Services' recommendations be paid by each company obtaining a license (approximately 2.3-2.3 million USD). The amount required to take part in the tender will be US$25,000 plus $100,000 for the licensing of each block. If license owners discover a deposit, they will have to pay a production bonus of between 1.5 and 5 million USD depending on the volume of oil in the deposit. Licenses will be valid for a period of five years for exploration and 20 years for extraction and may be renewable.

According to Mr. Byelskyy, not one application for participation in the first licensing round of the tender has been received, although the deadline is October 30, 1995. The State Committee for Geology expects to hand out licenses for 20 blocks in this round which will bring in close to 2 billion USD.

Odessa Oblast Head on Harvest, Industrial Policy

WS2208141195 Kiev URYADOVVY KURYER
in Ukrainian 17 Aug 95 p 4

[Interview with Ruslan Bodelan, chairman of the Odessa Oblast State Administration and the Odessa Oblast Council of People's Deputies, by Leonid Samsonenko: "We Must Adopt Stringent Economic Measures" — first paragraph is URYADOVYY KURYER introduction]

[FBIS Translated Text] The harvesting of grain crops is drawing to a close in southern Ukraine. As in the past, due to the lack of funds, equipment, and fuel, the harvesting has become a struggle. What kind of "offensive" strategy has the oblast leadership selected? What should be done to finally go from "struggles" to ordinary harvesting? These were the questions with which the URYADOVYY KURYER correspondent started his conversation with Ruslan Bodelan, chairman of the Odessa Oblast State Administration and the Odessa Oblast Council of People's Deputies.

[Bodelan] We have practically finished the harvesting campaign. Unfortunately, the productivity of early cereals in our oblast is lower than expected — an average of 23.2 centners per one circle [kruh]. This figure is primarily a result of unfavorable weather conditions.

The oblast's state order has been set at 700,000 tonnes. In addition, we have to provide 100,000 tonnes to fill a regional order. I think that we will manage to fulfill this task. We are currently selling bread to the state, rayon, and city executive committees, which also play the role of clients.

Then why is it a struggle instead of a civilized collection of the harvest? The collection campaign is being held in extremely difficult conditions. Such conditions can be explained, first of all, by shortages of harvesting combines in the oblast. This is why each of them has to handle as much as 200 hectares. As most of the machines have already exhausted their potential and demand continuous maintenance and repairs, it is obvious that the pace of harvesting has slowed down. This also explains the fact that the oblast is five days behind schedule in grain collection.

Given the fact that our combine fleet has not been reinforced with new machines over the past five years, we have established a wide network of servicing points on the eve of harvesting. They are based on the facilities of enterprises that purchased combines abroad and signed contracts to assist farms in collecting the harvest. As this has proven to be an excellent move, next year we are planning to increase the number of both imported combines and shops servicing them.

Second, the harvesting is held on a "hand-to-mouth" basis, and not only because the oblast does not have sufficient stocks of fuels and lubricants. The reason is mundane: Our farms had virtually no money to buy them. Real money was paid very slowly against the state contract — for which the government allocated 50 percent of all funds reserved for buying grain from manufacturers. This money actually started to come in only several weeks ago, but the delay has affected the progress and pace of the campaign.

On the other hand, this problem has been partially offset by people's desire to collect as much grain as quickly as possible. I am deeply convinced that with such people, the oblast will definitely collect the crop.

[Samsonenko] Summing up what you have just said, lack of funds seems to be the prime reason for harvest problems. The Supreme Council has recently approved changes and additions to the Law "On the Budgetary System of the Ukrainian Soviet Socialist Republic."

Do you think that this legal act will have an impact on normalizing financial support for the harvest campaign next year?

[Bodelan] The law just handles the issue of distributing relevant appropriations among various levels of power — local, regional, and state. But it fails to solve the problems connected with ensuring an equal amount of money for each of those levels, so that they can carry out their tasks.

If you take a classical approach to the law, the distribution principle incorporated in it is erroneous, and it will have to be replaced sooner or later. Proceeding from the actual situation in our country, there can be no other approach, because with the present acute shortages of funds, we need to ensure financing for the most essential needs at the state level. Of course, it would be better if all the possible reserves for cutting expenditures be sought at this level, too. I have to admit that this is done very slowly.

The main problem still remains unresolved — revenues for the budget. There is only one reason for this — the plummeting production at virtually all stages. As a result, the budget is deprived of large amounts of money. This is why both the state and regional authorities are left with only one solution — to continue manufacturing products and turn out production. There is simply no other way to improve our everyday life and resolve financial problems in the regions, towns, and rayons.

[Samsonenko] So much has been said about this way out of the economic crisis in recent years, but nothing has changed...

[Bodelan] If you carefully analyze the conditions of our economy, you could say that certain signs of stabilization have become visible over the past year. For example, while the pace of production decline last year was 53 percent, it has dropped to 13 percent this year. In other words, you can already talk about some sort of stabilization, even though the production sphere remains in crisis.

This crisis was caused, first of all, by the disruption of economic ties and lack of an efficient legislative base promoting a favorable climate for investments, joint ventures, additional funds from our national, homegrown, capitalists, etc. Issues connected with the reorientation of production and its technical and technological reequipment also call for urgent resolution. For a long time now, we have had the perception that by changing types of ownership we will manage to increase production. This has not happened and could not have possibly happened, because no stimulating factors were considered. If we refuse to understand today that we need to produce laws that push the door wide open for resolution of these economic tasks, our society will be experiencing hardships for quite a long time yet.

Economic problems hit the social sphere hard: Both in Ukraine and Odessa Oblast, huge indebtedness has been reported for electricity, natural gas, coal — that is, all those factors that not only are responsible for production, but also have an impact on the social protection sphere. The "fuel" debts have grown so much that they will be repaid for a very long time.

[Samsonenko] Let me add one more problem to the list of problems that you have mentioned. It is the problem of power. During blanket-pulling sessions among different branches of power and political groupings, manufacturers were only remembered when they were needed as a tool for achieving one's goal. How could anyone devise industrial or agricultural policies at a time when even the government performed functions of a "fire brigade" in recent years.

So, do you think the restoration of the centralization of power in state administration heads will improve the socioeconomic and political situation in the country?

[Bodelan] Let us first see what powers this local executive power structure has to influence the regional economy. Virtually no powers, you could say. Almost all enterprises and organizations in Odessa Oblast are managed by the state through its ministries and committees. Unfortunately, theses ministries do not set policies regarding technical reequipment of the enterprises or their retooling. On the other hand, hopes that the change of ownership will force people to find new approaches to handling problems encounters psychological barriers in the minds of our people, who attempt to find out who is guilty rather than reasons for the declining production. Things have grown so bad that working teams request that we bring them back to the state administration sphere. Unfortunately, such cases are not all that rare.

In other words, we are talking here about the planned (and let us not be afraid of this word) approach regarding reorientation of most of our enterprises so that they can manufacture various kinds of products, saturate the domestic market with them, and export their competitive products to international markets. For example, there are many enterprises in Odessa Oblast that used to specialize in machine-tool construction. This industry accounted for 33 percent of the oblast's total industrial product. Lathes made in this oblast worked to develop the economy of the entire Soviet Union. At present, no lathe-making enterprise works in our oblast — all this at a time when each enterprise needs to renew one-third of its equipment every year. If this does not happen, a process of hopelessly lagging behind other states in technological equipment begins. Already, some of our production industries are lagging 20 years behind.

So, will we manufacture lathes or not? Do domestic consumers and CIS countries need them or not? These questions underlie the big policy aimed at rational retooling and reequipment of national enterprises. Only a relevant ministry can answer them.

[Samsonenko] I fully support your opinion about the excessive centralization of power at the level of relevant industry branches. The fact alone that the branch ministries have not yet come up with a Ukrainian industrial policy testifies to the lack of civilized management and cooperation in these leading industries of the national economy.

On which principles will relations between local councils and state administrations be based after the latter restore their work?

[Bodelan] The Law [on Power] specifies powers of both the Supreme Council and the state administration. I think, however, that it would be too early to say that this division of power is ideal: Life itself will show it. Some will believe that they have not received enough powers, others — that they have a lot.

But it is not here that I see the main problem in relations between the two branches of power. The present administration dramatically differs from the previous one in that its head is at the same time leader of a corresponding council. This provided a real opportunity to prevent any arguments between these power levels from going too far. What I see as a problem in relations between the legislative and executive powers, both at the state and regional levels, is opposite approaches in resolving extremely important tasks connected with going out of crisis, providing energy sources, etc. At the legislative level, people uphold, as a rule, their populist social protection position. Deputies at various levels understand very well that if they adopt a different position, their electorate will not like it and they will not get elected next time. At the same time, the executive branch, having a full grasp on current events, is supposed to conduct policies unpopular among the population. For example, who will like a decision by Bodelan to turn off hot water supply virtually in the entire oblast?! But I understand that this is where we can and should economize; otherwise, all talks about heating in wintertime will be senseless.

Only those who can analyze, think soberly, and adopts stringent economic measures are real managers and patriots.

Belarus

Joint Communique on Chyhir's Visit to Lithuania

WS2308095995 Minsk ZVYAZDA in Belarusian 23 Aug 95 p 1

["Text" of joint communique by the press services of the Lithuanian and Belarusian Governments]

[FBIS Translated Text] Lithuanian Prime Minister Adolfas Slezevicius and Belarusian Prime Minister Mikhail Chyhir held a working meeting in Klaipeda on 18-19 August.

They discussed a wide range of issues concerning the expansion and deepening of economic cooperation between the two countries, primarily in the area of transport.

Prime Minister Mikhail Chyhir, members of the Belarusian governmental delegation, as well as managers of the largest export companies accompanying them, familiarized themselves with plans for and the course of the reconstruction of the Klaipeda port, and studied the possibilities of opening transit for Belarusian goods. They visited the port's water area, the harbor of the "Klasko" and "Bega" sea shipping companies, the oil terminal facilities, and, in particular, oil reservoirs with a capacity of 20,000 tonnes each, which are being built in Klaipeda with the participation of U.S. specialists. They also visited the sea ferry landing, which makes it possible to deliver goods to a number of European states on both railroad cars and trucks.

The two government leaders agreed that issues concerning the participation of the Belarusian side in the development of the Klaipeda port, as well as questions connected with the transit of goods via the two states, will be studied by Lithuanian and Belarusian experts within the shortest period of time possible.

Also discussed during the meeting between the two countries' prime ministers was the implementation of previous agreements. It was noted with satisfaction that the decision to conduct payments among the two countries' economic entities in the national currencies, which was made in Minsk on 18 August, served as a new stimulus for bilateral economic relations.

It was also decided that Belarus will provide Lithuania with the cartographic materials required for the delimitation of state borders and other purposes.

The sides agreed to continue regular discussions on bilateral relations at all levels, including meetings between the government leaders.

The talks held in Klaipeda represented the sixth meeting between Prime Ministers Adolfas Slezevicius and Mikhail Chyhir over the past year. The intensity of contacts at the highest level confirm that relations between our countries are becoming increasingly friendly. This contributes to the interests of the economic development of both Lithuania and Belarus in the long term.

Lukashenka Appoints New Minister, Deputy Ministers

WS2308103095

[FBIS Editorial Report] Minsk NARODNAYA HAZETA in Belarusian on 22 August, on page 1, carries a 300-word BELINFARM report on new Belarusian presidential edicts appointing and dismissing state officials.

Thus, by virtue of President Lukashenka's edicts, Uladzimir Mikalayevich Shymaw has been appointed first deputy minister of economy, and Anatol Ivanavich Drazdow, Uladzimir Andreyevich Naydunaw, and Andrey Mikalayevich Tur have become deputy ministers of economy.

Additionally, Lew Antonavich Dubovik has been appointed minister of fuel and power engineering and, simultaneously, chairman of the Committee for Energy Saving and Power Engineering Supervision.

Ihar Viktaravich Ralevich has become first deputy minister for emergency situations and protecting the population against the aftermath of the Chernobyl disaster, and Alyaksandr Mikalayevich Apatski is the new deputy minister for natural resources and environmental protection.

Finally, Uladzimir Fyodaravich Kandratsenka has been relieved of the duties as deputy minister of economy "in connection with his retirement."

Reasons Behind Suspending Disarmament Viewed

WS2308084695 Minsk BELORUSSKAYA DELOVAYA GAZETA in Russian 17 Aug 95 p 1

[Article by Yury Drakokhrust: "Game of Preference at a Testing Range"]

[FBIS Translated Text] **Soviet people's attitude toward nuclear weapons has always amazed foreigners. Or, more precisely, Soviet propaganda, if needed, would incite "the wrath of the masses" against "NATO members brandishing the nuclear stick." The people themselves, however, were quite indifferent toward this issue. It was either a reciprocal reaction to the obtrusive propaganda or the result of the people's natural fatalism — one does not die twice; one has to die sometime; and what if one succeeds?**

Although the point about the indifference to nuclear issues is perhaps not entirely correct, let us look at the current situation. The media are reporting on various issues: Crops are being harvested, guests are arriving, the president is supervising the educational process, and the people are quietly going on strike. Meanwhile, however, Belarus is suspending the withdrawal of Russian nuclear missiles from its territory. As a matter of fact, not many of them still remain in our country — all in all, 18 SS-25 missiles. Nevertheless, this stockpile is enough to level, for example, Belgium, and respectively, to receive an adequate response. Yet, we are asking no questions — the leadership knows better. And the leadership is taking advantage of the people's trust — nobody has reasonably explained why the missiles have not been withdrawn so far, and why the withdrawal has recently been suspended.

Let us recall how the situation has been developing. At the beginning of the summer, vague rumors about some problems with the transfer of nuclear weapons started making rounds. Then, in July IZVESTIYA published an article confirming the rumors — the withdrawal had been suspended. Moreover, the author quoted President Lukashenka as saying that since we are to unite with Russia anyway, then why should we mindlessly ship military equipment to and fro. Although it is unknown whether the Belarusian president actually said this or not, nobody has refuted it. The "collective propagandist" of the president's policy, SOVETSKAYA BELORUSSIYA, "established the IZVESTIYA journalist's guilt" of being biased and attempting to drive a wedge, and briefly explained that there were technical problems which were being successfully resolved. And that was all.

Nonetheless, another point was made again in Moscow. In an interview with NTV, General Sergeyev, commander in chief of the Russian Strategic Missile Troops, said that a problem did exist. And according to the general, the point is that the Belarusian side was not satisfied with the condition of testing ranges and launching sites left by the withdrawing Russian troops. The methods of dismantling launch sites proposed by the Russians did not satisfy the Belarusians for various reasons, including environmental ones. Minsk thus stopped issuing transit permissions. General Sergeyev, however, expressed his firm hope that the problem would soon be resolved successfully.

Belarusian officials seemingly confirmed Sergeyev's version that the problem is of a purely technical nature. (See the interview with Belarusian Deputy Foreign Minister Andrey Sannikaw in BELORUSSKAYA DELOVAYA GAZETA No. 37). Allegedly, a technical solution existed — in Minsk in June, U.S. Deputy Secretary of Defense Gloria Duffy singed a protocol according to which the United States was to earmark $8 million in the framework of the Nunn-Lugar Bill for dismantling launch sites according to U.S. methods.

Then, the president made his move. Not everything that was said by the head of our state at the 3 August Foreign Ministry Collegium meeting was published. What remained unpublished, in particular, were: his assertions that Belarus is not so naive as to be satisfied with the world community's declarative reaction to its renunciation of nuclear weapons; his assessments — according to which the value of nuclear missiles deployed in Belarus is approximately equal to our country's debt for energy sources; as well as his geopolitical considerations — indicating that the French resumption of nuclear tests in the Pacific Ocean makes one look at issues concerning nuclear disarmament differently.

The aforementioned words were related by eyewitnesses. The president's thoughts were perhaps somewhat distorted in their reports. The essence of his stance, however, was perfectly clear — Belarus has not received enough for its readiness to give up nuclear weapons, and if someone wants to see a nonnuclear Belarus quicker, let him pay.

Still, one could have predicted the political aspects of Minsk's decision, not even being aware of the president's speech, by simply analyzing the initial official version of the events. It represented a very embarrassingly inadequate response. The relations between Belarus and Russia, after all, have been more than just friendly and trustful. Of course, it is bad not to collect one's garbage and improve the land. But to suspend the withdrawal of nuclear weapons that can level Belgium, (not just potatoes or even tanks,) in response to such actions... Friends do not act like this. The "technical" explanation of events clearly contradicts the entire history of relations between the two countries.

Let us return, however, to the theses the president presented to diplomats. Did we hear them before? Yes we did; we can recall the whole epic about the refusal to implement the Conventional Forces Treaty and "scrap tanks." We can recall the same references to financial difficulties, the world community's debt to Belarus, and vague hints at the Western alliance's actions. NATO's actions were not directly named as the reason behind altering Belarus' position. No, they were simply mentioned. However, the readiness to renounce a geopolitical response to NATO's challenge at a moderate price was announced.

True, the situation with nuclear weapons is essentially different from that with conventional ones. By stopping to scrap tanks, Belarus is directly questioning its participation in a multilateral international treaty. As for the withdrawal of nuclear weapons, the START-1 Treaty and the Lisbon Protocol allow us to withdraw missiles by the year 2001. True, there is a Belarusian-Russian agreement, according to which nuclear weapons should leave Belarus by the end of 1996. However, it is inconvenient to term a treaty with Russia international — this is a family affair: if we want, we will either withdraw them immediately, or wait.

So, there is no direct violation of agreements in this case. However, one very important characteristic feature was used: The area of nuclear disarmament is akin to business — as in business, this area is very sensitive to any alternations in the rules of the game, and by all means tries to avoid them. Even a slight change in the rules sends a signal to informed people in various world capitals. Let them think. One does not have to explain anything to one's own people.

One of the most important questions in this political game of preference is who bets. Who bets, who opens the game, and who quits? Certain Russian commentators have rushed to announce that Belarus chose the Ukrainian path, demanding money in exchange for accepting a nonnuclear status. Formally, this is true, and the president's latest statements were maintained in this tone. Perhaps Belarus was really underpaid for its readiness to disarm itself. No matter how sad it may seem, however, the right time to trade was most likely wasted. To demand changes in the rules after the train has already left means, first, to receive nothing, and second, to undermine one's reputation of being a reliable partner. The Ukrainian scenario thus seems to be very unlikely in Belarus.

To reconstruct a more probable course of developments, let us return to the story about conventional arms. President Yeltsin ended his visit to Minsk on 22 February 1995. On 23 February — the next day — President Lukashenka announced the refusal to scrap tanks. The reasons, let us recall, were purely economic. A diplomatic fuss arose. Soon after this, during a visit to Moscow by U.S. Secretary of Defense William Perry, his Russian counterpart Pavel Grachev frankly told his guest that Russia is not pleased with the Conventional Forces Treaty. And he presented purely political reasons: the collapse of the Warsaw Pact, NATO's expansion, etc. Since the test of a new political weapon proceeded successfully at the Belarusian testing range, serial production could be launched.

Many things indicate that as regards nuclear weapons, it is not Belarus that is playing cards. Apart from hints by high-ranking officials, commenting anonymously on this issue, the big clue comes from self-evident things such as, for example, Russia's position. Let us imagine that Ukraine has suspended the withdrawal of nuclear weapons to Russia. This would be a huge sensation followed by angry protests from Russia, war in the press, an exchange of visits by [Russian Foreign Minister] Kozyrev and [U.S. Secretary of State] Christopher, and the tearing up of flags by expansionist politicians (however, not their country's flags, as is the case in our country). Now, on the other hand, Belarus suspends the withdrawal of nuclear missiles. It is all peaceful and quiet, everything is normal; it simply decided not to withdraw everything at once.

What interests might Russia pursue in the nuclear game in Belarus? Perhaps, it wants to show other countries that it also has trump cards, and to frighten them with the possible unpredictability of the situation and the possible presence of a nuclear sword located directly at NATO's possible future borders. The game is thus far being played with undertones and nuances, as well as by defining possibilities, and not implementing them.

What is reserved for President Lukashenka in this game is his traditional role of taking care of the Belarusian people and acquiring money for their prosperity. And what role is reserved for Belarus?

All accusations against Russia of wanting to annex Belarus are conceived by the nationalists. Why!? Who would like to get rid of such an excellent testing range? It is very convenient. Tests, even successful ones, often have unpredictable consequences. The international prestige of the testing range is plummeting, the stream of assistance is becoming more narrow, and the flux of foreign private investments is bypassing the suspicious territory. And these are purely domestic problems of the completely sovereign and independent residents of the range. First of all, they are independent of the Russian budget, as the Russian budget is independent of them. Of course, Russia may also use the convenient invention after the test, and pay for its consequences. This will be its choice, however. What is important is that it will pay virtually nothing for the experiment.

One can play various roles in a game of preference. One can bet, thus determining the trumps, open the game, or quit. By doing so, one can either win or lose, depending on how the cards are dealt and one's skills. The most unenviable role, however, is to act as a "dummy," and guard the undealt cards.

Official Stance on Balkan Conflict Reviewed

WS2308085495 Minsk BELORUSSKAYA DELOVAYA GAZETA in Russian 17 Aug 95 p 3

[Article by Valyantsin Zhdanko: "We Have To Follow the Balkan War Through the Lenses of Russian Television Cameras"]

[FBIS Translated Text] **The Belarusian Foreign Ministry, headed by the experienced Uladzimir Syanko, has thus far managed to diplomatically dodge acute questions about the "Balkan" issue. For example, issues concerning the former Yugoslavia were addressed during the recent talks between the Belarusian foreign minister and his Turkish counterpart, Erdal Inonu. When I asked Uladzimir Syanko to comment on this aspect of their conversation, he noted that although the issue was indeed discussed, our country cannot participate in settling the Yugoslav problem as directly as Ukraine, Russia, or Balkan countries.**

Belarus is perhaps the only European country reacting so peculiarly to the bloody tragedy in the former Yugoslavia. This issue, which is on the front pages of leading papers all over the world, as well as on all European leaders' lips, is listed as secondary political news in our country.

For this issue our official dailies reserved a modest place among other international reports by foreign (usually Russian) news agencies. Belarusian citizens are following the war waged on the Balkan peninsula through the lenses of Russian television cameras, simultaneously heeding the voices of Russian commentators.

The state media's attitude toward the events in the former Yugoslavia is determined by Belarusian leaders' stance on this issue. Minsk, unlike other CIS capitals, has been, and still is refraining from presenting comments and statements about the events in the Balkans. At best, journalists' persistence may be rewarded with a sentence voiced by a high-ranking official, resembling the following cliche: *"We support settling the Yugoslav crisis through peaceful negotiations...."*

This happened after the recent deterioration of the situation in the Balkans, when the self-proclaimed Republic of Srpska Krajina ceased to exist as a result of large-scale warfare in eastern Croatia, and Zagreb restored control over territories it had previously lost. The Belarusian leaders kept silent. Initially, state television began talking about the "Croatian aggression" and "atrocities committed by Croatian soldiers," following Moscow, but then, heeding this very Moscow, it softened its tone, and began providing more weighted assessments. However, this had no impact on the openly pro-Serbian position.

Of course, Belarus' attitude toward the Balkan crisis, as well as toward other issues concerning European security (in particular, NATO's eastward expansion), is determined by the foreign policy chosen by President Lukashenka, and confirmed during the May referendum. Regarding a number of key security issues, Belarus has virtually renounced its own policy, having opted for unconditional support for Russia in the international arena — even if everybody else votes against, and Russia remains alone with its peculiar opinion.

As for the Yugoslav problem, this blind and stubborn copying is particularly alarming. Our leaders have virtually forgotten that the Belarusian people are not united by one religion. For the president of a country inhabited by some 500,000 Catholics, it is at least unwise to talk about the "special role of the Orthodox Church," and censure representatives of other denominations (including Catholics) for their alleged interference in political affairs. Similar statements, combined with Alyaksandr Lukashenka's increasingly clear penchant for the ideology of Pan-Slavism, are hardly contributing to the domestic stability in our country, as the lack of its own stance on the Balkan war and the obedient following behind Moscow are not improving Belarus' international prestige.

Moscow is more and more actively playing the Yugoslav card. After the fall of Srpska Krajina, [Serbian President] Slobodan Milosevic visited the Russian capital. The Kremlin appealed to the international community to lift economic sanctions against Serbia. The Duma and Russian national-patriots are persistently nudging Boris Yeltsin to unilaterally cancel the sanctions even if the United Nations says "no." This may prove to be a hard moment for Belarus, if it will have to switch from innuendoes, silence, and allegories to a clear stance, and select between Russia's voice, which is peremptory for us, and the opinion of the rest of Europe. The selection will not be easy, even though the east wind has always been blowing stronger than any other for Alyaksandr Lukashenka.

Communist Leader on Legislature, By-Election

WS2308093495 Minsk ZVYAZDA in Belarusian 18 Aug 95 p 2

[Interview with Syarhey Kalyakin, first secretary of the Party of Communists of Belarus, by unidentified ZVYAZDA reporter; place and date not given: "Syarhey

Kalyakin: 'The Communists Are Not Euphoric About the Election Results'"]

[FBIS Translated Text] [ZVYAZDA] Syarhey Ivanavich, it seems that national democrats have successfully overcome their great defeat in the legislative elections. Do the communists feel euphoric about their accomplishments?

[Kalyakin] I would like to point out that the communists did not experience euphoria. The opinion promoted by the media, to the effect that the communists have come to power, has been invented. We did win 28 seats out of 119; however you should agree that this is far from absolute victory, given that we only have 25 percent of the seats. The party had anticipated this kind of result, or perhaps, even a better one. The result would have been better if the elections had been held in all the constituencies. Therefore, the communists do not experience any euphoria. The outcome was pre-planned.

However, speaking about the democrats, I would not say that they were defeated. I would rather say that they were shocked with what had happened. This was evident judging both by their statements in the press and by their behavior. At present, they have reevaluated the election results and their preelection tactics, and are trying to generate new ideas and programs. They are ever more concentrating on the so-called social issues. One can even observe attempts to adapt our slogans to a certain degree. The advocates of the national idea are moving astray from their own former firm statements. However, this is a normal phenomenon, which indicates that democrats, too, are sober-minded people and that they have drawn certain conclusions.

[ZVYAZDA] Does the Party of Communists of Belarus [PKB] face the need to alter its tactics?

[Kalyakin] We are going to act in the same manner as we acted during the first round of elections. The agreement signed by four political parties and three public movements (the Party of Communists of Belarus, the Agrarian Party, the Republic's Party of Labor and Justice, the Republic's Veteran Council, the Belarusian Leninist Communist Union of Youth, and the Movement for Democracy, Social Progress, and Justice) remains valid. We are going to coordinate the activities of the left wing; however, communists, just as during the first round, will act independently. This means that we will not form any rigid blocs. I believe that our party will be represented in virtually all the 141 constituencies in which by-elections are to be held. It may happen that in some constituencies, instead of fielding our own candidates we will support representatives of those parties with which we have signed the aforementioned agreement or non-party candidates, who share our views. Of course, we will take into account the results of the first round of elections in those constituencies.

[ZVYAZDA] The current legislature is mostly comprised of people representing leftist forces. Whom would you like to see as your political opponents in the Supreme Soviet?

[Kalyakin] It is too early at this point to say what kind of parliament has been elected, given that it is not clear what will be its final makeup. However, I believe that even now we can predict a more politicized parliament than the current one, speaking in terms of the number of parties represented. As for political opponents, the Party of Communists would like to meet wise people who are able to compromise in order to solve our acute problems in the Republic's interests. We understand that there are issues on which parties' standpoints differ, and there probably will be no compromise on those issues. However, from the perspective of practical work for creating the legislative basis and with regard to control over the observance of the Constitution, all forces — regardless of their views and beliefs — can find a common language. We are ready to cooperate in that field.

[ZVYAZDA] We have touched upon the problem of party influence in the legislature. Are political parties an influential force in the current political situation in Belarus?

[Kalyakin] This problem should be regarded in two aspects. Many parties are currently undergoing the period of organization shaping. I must say that the PKB, too, has just completed the organizational stage. However, that stage is doubtless very useful and necessary. On the other hand, the parties are currently principal participants in the election campaign. They have the right to field candidates and later, after winning parliamentary seats, to form factions (two factions have already been set up). Through the factions, parties will realize their declared goals.

[ZVYAZDA] Perhaps the principal weapon used by your opponents is the statement about communist ideology being based on nostalgia for the USSR.

[Kalyakin] To my regret, those who claim so are not aware of our party's documents; they draw their conclusions based on rumors and separate discussions. Incidentally, even the Belarusian sociological research institutes include in their reports things that do not and cannot exist.

Therefore, many myths emerge, including the one that you just mentioned. Our opponents would like to depict us as an antinational force, one that advocates the Republic's incorporation into Russia. Mildly speaking, this does not correspond to reality. As for the idea itself, Belarus should live in the Union. We do not deny that this is our goal. However, I would like to clarify the situation. We advocate genuine sovereignty for Belarus, yet at the same time, we respect the historic choice made by the people at the referendum in 1990. We understand that the USSR ceased to exist a long time ago, no matter how someone may feel sorry about that fact, or how painful it is. The existence of an independent state is a reality. The wishes of the communist parties of the former USSR are not enough to create some kind of a new union. Even presidents' wishes and political will are not enough. The creation of a single state can only be achieved through a referendum. Therefore, we regard the creation of some kind of a union as an extended process, which will include the creation of separate confederations. Belarus badly needs a union to protect its geopolitical interests. Neither do our opponents reject the idea of unification, suggesting, for instance, a Baltic-Black Sea Union. However, one should not think that the creation of a union is our party's ultimate goal.

[ZVYAZDA] What is your party's ultimate goal then?

[Kalyakin] It is to finally create a society of social justice, where human beings would be greatly valued — moreover, not abstract people, but specifically working people. We want to achieve real democracy, social progress, and social justice. I emphasize that we are oriented toward the majority of people, because according to sociological data, more than 70 percent of people in Belarus believe that they are beggars.

[ZVYAZDA] Almost all the parties complain about the impossibility of explaining their platforms to the people and over rare contacts with the press. How does the PKB feel in this regard?

[Kalyakin] We feel normally. At the moment, the party experiences no problems in having access to certain papers. We have access to the Belarusian media, and our conversation today proves this. In addition, we have our own newspaper. I think that all influential parties have their organs. Some of them experience problems from time to time. However, one should not use overt aspersions in newspapers. Every fight should be conducted by civilized methods.

Popular Front Leader on Tasks, By-Elections

WS2208143995 Minsk ZVYAZDA in Belarusian 18 Aug 95 p 2

[Interview with Yury Khadyka, deputy chairman of the Belarusian Popular Front; by unidentified reporter, place and date not given: "Yury Khadyka: 'The BNF Movement and Party Are Facing the Need To Split'"]

[FBIS Translated Text] [ZVYAZDA] Numerous opponents of the Belarusian Popular Front [BNF] claim that you were defeated during the elections to the Supreme Soviet. The BNF however, does not agree with that. Why?

[Khadyka] At the fourth congress of the BNF, which incidentally, was different from all the previous ones — given that debates there were very heated and in-depth — the following prevailing opinion was voiced: We cannot regard our participation in the recent legislative elections as a defeat. Rather, it was a bitter lesson. The competition of democratic parties, including the BNF, with representatives of the executive branch and the communists was not held on equal terms. Let us not forget that in the recent years of the Republic's post-totalitarian existence the communist forces have managed to retain a portion of property which they once acquired through people's money. They possess the press, which remains just a dream for democratic parties. Meanwhile, in periods such as the current one, the media are not the fourth power, they are probably the first one. Election results depend on how the media influence society. Both the presidential and the legislative elections became a vivid testimony to that fact. Therefore, given that the democrats do not have their own media, they found themselves in a dire situation. Nevertheless, even under those circumstances 30 percent of the BNF's candidates made it to the second round. No other democratic organization in our state has had comparably good results.

[ZVYAZDA] You have said that you were taught a lesson during the elections. What kind of conclusions has the BNF drawn?

[Khadyka] From now on we will have to act in conditions that are substantially different. One can observe that the people are tired because their problems remain unresolved, and the current situation does not give any hope for their rapid resolution. The sluggishness in conducting economic reform and political transformations, as well as the lack of stability, does not satisfy anyone. Therefore, this evokes societal dissatisfaction with the acting political forces. At the same time, the idea of national revival, that of creating an independent sovereign state, is not very deeply rooted in the Belarusians' minds. We can clearly see now that during past years we failed to overcome the objective hardships and transform our striving to create our own independent state into a popular cause. Neither have we managed to explain to the people that this is a precondition for everything: well-being, international and domestic peace, the flourishing of a national culture, and the upbringing of a truly free individual.

All this proves that the BNF has faced the necessity of certain objective organizational and tactical transformations. In fact, we pursued two different goals — that of reviving national identity and promoting the idea of national-cultural renaissance, and that of winning political power and the right to be represented in the current spectrum of political forces. Those two goals are being accomplished by one organization. The BNF party, established two years ago, is the institution which functions during elections as one body. This organizational discrepancy has produced negative results. Therefore, we find it necessary to divide the activities of the party and the movement. However, at the congress, we postponed the adoption of appropriate resolutions and decided to resume the discussion of that issue somewhat later, probably after the by-elections, when the legislature has been formed and the political situation is more stable. You must agree that if we were to pass such a resolution today, even our closest allies would not understand us and would think that a split has occurred within the BNF. Therefore, to make this kind of decision we should properly prepare the soil.

At the same time, at the current stage we are going to change our tactics. You might remember that during the elections we put our cards on the table by announcing our plans long before the elections. This gave our opponents the opportunity to undertake certain countermeasures and organize a powerful counteraction. The first round of elections was, in fact, in great dispute. I believe that we will not repeat that kind of mistake, and that we will be more careful in the future.

[ZVYAZDA] Is there a chance that the BNF will ignore the elections altogether? There have been certain rumors.

[Khadyka] Naturally, this probability exists, although our refusal to participate in the elections can only be prompted by some kind of extraordinary event. For instance, the president may suggest holding (along with the elections) another referendum on, for instance, political unification with Russia. In this event, the BNF would have to make all efforts to stage an antireferendum campaign, instead of fighting for seats in the provincial parliament. However, this would be an extraordinary situation. Therefore, it is much more probable that we will take part in the elections.

[ZVYAZDA] I believe that preparations for the elections have already started.

[Khadyka] The congress requested that the council make the final decision. The BNF is determined to coordinate its activities with virtually all the organizations which advocate the same principles. However, we are not going to form any blocs, because that is a very hard task.

[ZVYAZDA] Is it true that — in light of the division of functions between the party and the movement — the BNF has difficulty finding leaders?

[Khadyka] Thank God, this kind of problem does not exist in the BNF. I mean that leaders are not elected; they are selected by history. In this regard, the BNF can serve as an example for other organizations. [BNF Chairman] Zyanon Paznyak is a leader selected by history. Nobody has ever competed for his role, and nobody will. Another thing, though, is that when both the party and the movement exist, this puts additional an burden on the leader. The accomplishment of political goals requires greater flexibility from a leader.

[ZVYAZDA] Is Zyanon Paznyak, then, a party leader?

[Khadyka] I believe that he can very successfully head either the movement or the party. He has authority in society, while his personal traits, his political tenacity, and sincere devotion to the cause of Belarusian renaissance make him fit for leadership of any of these organizations. Therefore, I am sure that he will exercise general control even if a party is established within the framework of the movement.

[ZVYAZDA] However, if Mr. Paznyak does not make it into the Supreme Soviet, you will have to elect the leader of the BNF faction. Perhaps, he will later become party chairman?

[Khadyka] The post of faction head may also be created. I do not see anything extraordinary in doing so. This can simply accelerate the emergence of the BNF's political wing and its leader.

[ZVYAZDA] In general, how do you assess the role of parties in the state's current political life?

[Khadyka] The popular and enforced opinion to the effect that parties in Belarus do not enjoy any authority runs counter to reality. You should keep in mind that most candidates who made it to the second round of legislative elections, especially in cities, are representatives of specific parties. Therefore, if someone claims that Belarus is too underdeveloped to have a multiparty system, he is either lying or does not understand the actual situation. Incidentally, party affiliation of deputies is the major prerequisite for the existence of a disciplined legislature.

[ZVYAZDA] Perhaps for this reason Belarusian parties have dozens of stereotypes regarding their activities, which in most cases do not correspond to reality. The BNF is not an exception. Which labels do you believe to be the most dangerous? Do you think it is necessary to fight these stereotypes?

[Khadyka] Naturally, it is vitally important to fight these stereotypes. In fact, most people currently regard the BNF as an extremist rightist-radical organization. However, we can be considered a rightist organization only in comparison with the left wing — the communists. For the latter, we are rightist, given that they do not notice any other opponents. Beyond any doubt this is a compliment for us. Yet, the communists refuse to notice that in terms of a normal political classification, the parties of liberal- democratic type, including the United Democratic Party of Belarus and the Civic Party, are more right-wing than the BNF. Those parties advocate maximum freedom of an individual, of a person's interests. As a result, as a rule they protect the interests of successful industrialists, bankers, and entrepreneurs. According to their ideology, the economy is an automaton that should function without state control. Meanwhile, the BNF has a typical Christian-democratic ideology. We are a centrist force, which looks for ways to reconcile collective interests with the interests of the individual. We believe that economy is a semi-automaton which should function under the state's watchful and wise eye. However, most people do not realize those differences.

[ZYAZDA] Speaking about your opponents — the communists. On what principles is their ideology based?

[Khadyka] I think that all forms of communism have become obsolete. As time goes by, both the influence and the number of those organizations will be decreasing. Their current popularity rests on the mentality of the old generation and on this generation's striving to preserve the system of values and views under communist rule. The communist ideology in Belarus rests on memories and on nostalgia for the past.

Further Reportage on Minsk Subway Strike

Popular Front Denies Involvement

WS2308085395 Minsk BELAPAN in English 0743 GMT 23 Aug 95

[FBIS Transcribed Text] The Board of the Soym of the Belarusian Popular Front (BPF) circulated a statement where the information is given that the BPF bears no relation to the organization of the strike at the Minsk metro. According to the Board of the BPF Soym, the statement of the Belarusian President Alyaksandr Lukashenka accusing the BPF of organizing the strike arouses hatred in the society and contradicts the Constitution of the Republic. At the same time the BPF expresses its solidarity with the acts of labor collectives standing for their rights and economic interests.

The Board of the BPF Soym demands to stop unlawful actions and to liberate the Chairman of the Independent Trade Union of Belarus Henadz Bykaw, the leader of the Independent Trade Union of the Minsk metro Uladzimir Makarchuk and the deputy of the Supreme Soviet of Belarus Syarhey Antonchyk arrested for organizing the strike.

Trade Union Activists Arrested

MM2308091495 Moscow IZVESTIYA in Russian 23 Aug 95 p 2

[Reports by Yuriy Senatorov from Moscow and Aleksandr Starikevich from Minsk: "Moscow Sends Strikebreakers to Minsk, Reprisals Against Strikers Continue"]

[FBIS Translated Text] Moscow — At the request of the mayor of the Belarusian capital and the leadership of the local subway a group of 11 engineer instructors from the Moscow Subway traveled to the Belarusian capital Monday 21 August. We were told by Aleksandr Svartsburd, deputy chief of the Moscow Subway, that the leadership of the Minsk Subway had put together 80 people (engineers on local trains) to replace "those who do not want to work." "The subway should be running, not standing idle," A. Svartsburd told IZVESTIYA. As he put it, the engineer instructors will spend a week in Minsk to train the above-ground engineers in the specifics of underground work. The Moscow instructors will be housed in a hotel. They will not be paid any "bonuses" — the Moscow Subway will simply pay them their normal salary.

Minsk — The courts and the law enforcement organs have become actively involved in the Belarusian authorities' fight against the strikers.

IZVESTIYA has been told that several trade union activists were arrested Monday. The exact number is not known, since the police are stubbornly interpreting events as an invitation to visit the courts or the Prosecutor's Office. Although, when people in masks pull certain strikers out of the crowd on the capital's main avenue, it is more reminiscent of hostage-taking.

The formal reason given for this action was the failure by these individuals to appear to face a Prosecutor's Office and court summons. But it is well known that, for instance, Uladzimir Makarchuk, chairman of the free subway trade union, had been scheduled for 1000 hours, but was arrested 90 minutes ahead of time. Henadz Bykaw, leader of the Free Trade Unions of Belarus (FTUB), whose arrest IZVESTIYA had predicted yesterday, left his office hastily accompanied by the police.

That evening the police arrested Supreme Council Deputy Sergey Antonchik [name as transliterated]. Parliamentary immunity counted for nothing in this instance, and the worker left the FTUB Headquarters accompanied by three OMON [Special Purpose Militia Detachment] men, two policemen, and one plain-clothes officer. Despite the fact that, according to them, Antonchik was merely being invited for a talk, the deputy did not return home. According to existing information he has been taken to the Internal Troops base.

Agents of the Minsk Criminal Investigation and Administration to Combat Economic Crime searched the FTUB office. This IZVESTIYA correspondent was present as a witness. Incidentally, the search warrant carried a different address, as a result of which the legality of the investigative measures is called into question. During the search the trade union's incorporation documents were seized, along with initial correspondence as well as a caricature featuring a main character outwardly resembling Alyaksandr Lukashenka and signed "a kolkhoz member."

The president himself, appearing on television the previous day, promised to restore order and accused U.S. and Polish trade unions of organizing the strike. So far, among all the political forces, he is supported solely by the Liberal Democratic Party — the Belarusian followers of Zhirinovskiy.

Article Views 'Lies' in State-Controlled Media

WS2308095895 Minsk BELAPAN in English
0743 GMT 23 Aug 95

[Article by BELAPAN Director Ales Lipay: "Official Propaganda Does Not Disdain To Use Lie and Falsification" from the "Analyses, Commentaries, Forecasts" feature No. 45, 16-22 August 1995]

[FBIS Transcribed Text] There is no use to argue with a radio-set, because of a very simple reason, i.e., you may not find any arguments to persuade your interlocutor. Today the whole Belarusian state mechanism acts as a radio-set. Having increased the monopoly of the television and radio and taking over the control over major editions, it does not listen to arguments, because it does not want to hear any. As a result, society has only one point of view on different events — the point of view of the leadership of the Republic. The voice of the opposition or the undesired is not heard in this desert scorched by unmerciful fire of propaganda in old commissar traditions. This is why in this review I will try to speak for those who were pointed at by official propaganda.

First and foremost, for the staff of the Minsk Metro which went on strike without time-limit on August 17. The state mass media went all out to prove their readers, viewers and listeners that the strikers were selfish people who, receiving 2.5-million-ruble wages not dreamt of by workers at other enterprises, demand more. This was most shameful lies, because metro workers did not make a demand to increase their wages. They chose a strike as a means to get what their administration promised in a tariffs agreement, but later failed to fulfill. True, part of these promises concerned additional payments, but the strikers demanded not an increase, but what they were already promised.

The most principal of demands is not that about money — a dismissal of the head of the Metro Nabeshka. Not only the official mass media misinformed society, they also reported on a threat of the government to sue the participants of the strike. This threat was issued despite the fact that the strike was initiated in full accordance with the law on settlement of labor disputes.

By the way, in his interview to the governmental newspaper RESPUBLIKA published on August 18, the head of the general department of public and political information at the Presidential Administration, Uladzimir Zamyatalin touched upon the very problem of the freedom of the press. According to him, if newspapers write that we do not have any freedom of the press in the country, then this proves only absurdity of such claims. This is really absurd: May the press be considered free only for its abstract declarations that it is not free?

Or let us consider the President's instruction to exclude textbooks on the humanities and social sciences published in 1992-95 from the system of secondary and high education. Belarusian readers know only an interpretation of this distributed through the mass media by Uladzimir Zamyatalin's department. They reported on a special commission — the very existence of which is doubtful — to have inspected textbooks introduced into the program of secondary education — let me stress: secondary — after 1992. Why then textbooks for high schools were excluded from the system of education either? Was the commission competent if there was any commission at all? Why not a single official of the Ministry of Education and Science was represented in the commission? Are textbooks published in communist times not biased or ideologically charged?

But it is impossible to question a radio-set, in this case the state mechanism. Its calculation was Jesuitically deliberate: all objections remained in kitchens. The opposers' mouths are not being shut by anybody — what use shut mouths of people who have found themselves in the position of the dumb? The transition to the education on the basis of Soviet textbooks is not only harmful, but also senseless. Firstly, it will be very expensive for the Belarusian people if we take into consideration that new textbooks are to be prepared and printed in a year. Secondly, not a single school has kept textbooks published before 1992 — who could foresee that they would return? They are more likely to be thrown away as unnecessary.

Therefore, secondary and high schools may begin a new academic year without textbooks on the humanities and social science. This may be useful only for those who favor communist propaganda. It is actually returning to our education system in the form of a history of-the-CPSU or a philosophy-of-Marxism-Leninism or a political-economy-of-socialism or other subjects of communist times. What other facts are necessary to define the Belarusian state mechanism once and for all?

Moldova

Turkish Defense Minister Arrives on Working Visit

AU2208180595 Chisinau INFOTAG in English
1920 GMT 21 Aug 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 21/8/1995 — Turkish Defense Minister Mehmet Golhan arrived for a working visit to Moldova last Sunday [20 August] on the invitation of his Moldovan counterpart Pavel Creanga. The Moldovan minister paid a similar visit to Turkey recently.

Mr. Golhan said at the Chisinau Airport that the chief aim of his visit was to establish a cooperation between the two ministries, and to get familiarized with the army set-up in Moldova.

The guest will have meetings in the Defense Ministry and with Moldovan top officials and will visit Moldovan army units. No documents are planned to be signed.

When asked by journalists to describe his attitude to the problem of withdrawal of the Russian contingent from the Dniester region, Mr. Mehmet Golhan replied this was "the internal affair of the Republic of Moldova and the Russian Federation".

"Turkey is not going to interfere in that process, and we hope Moldova will settle the problem in the best way", he stressed.

On Monday, Mr. Golhan met with Moldovan Defense Minister Pavel Creanga. The sides discussed problems of building armed forces, implementation of Moldova's Military Doctrine and its participation in the NATO's Partnership for Peace program.

Golhan on 14th Army Pullout

LD2208182395 Moscow INTERFAX in English
1308 GMT 22 Aug 95

[FBIS Transcribed Text] Chisinau, Aug 22 (INTERFAX) — Turkey is not going to interfere in the pullout of the Russian former 14th Army from Moldova.

"Ankara hopes that Moldova will resolve its problem in the best way for itself," Turkish Defense Minister Mehmet Golhan said on his arrival in Chisinau today.

The Turkish minister, who came to Moldova on a working visit, said he believed that the troop withdrawal from the Transdnestr region of Moldova was an affair concerning only Chisinau and Moscow. "They must resolve this problem through talks," Golhan said.

Golhan came to Moldova in response to the earlier visit of Moldovan Defense Minister Pavel Kryange to Turkey.

The two countries' defense ministers met in Chisinau today to discuss problems related to the buildup of military forces and the implementation of a Moldovan military doctrine. They also considered the problem regarding Moldova's participation in the NATO Partnership for Peace program.

Turkish military experts contributed to the NATO program's drafting because Turkey is a full-fledged member of the North Atlantic alliance.

President Snegur Meets Golhan

AU2308113395 Chisinau INFOTAG in English
1920 GMT 22 Aug 95

[FBIS Transcribed Text] Chisinau, August 22 (INFOTAG) — The Commander-in-Chief of the Moldovan Armed Forces Mircea Snegur has spoken for elaboration of a military agreement with Turkey. Receiving the Turkish Defence Minister Mehmet Golhan today, Mr Snegur pointed out that personnel training, consultations, exchange of military-technical information, and cooperation in logistics would be very useful for the Moldovan Armed Forces.

An agreement in the military field would be a logical addition to the Treaty of Friendship and Cooperation signed between the two nations during the last year's visit of President Demirel to Moldova, Snegur remarked. He named the Moldovan-Turkish relations as "increasingly developing", and they will be further promoted by the forthcoming visit of an official Moldovan delegation to Turkey scheduled for next spring.

The Turkish Defence Minister has said that the way Moldova had solved the Gagauzi problem indicates that the republic is open to real democratic values. Mr Golhan has assessed the situation on the left bank of the Dniester as Moldova's domestic problem which should be settled without interference from outside.

[Chisinau BASAPRESS in English at .... GMT on 22 August also carries a report on the Mircea Snegur-Mehmet Golhan meeting. The BASAPRESS version adds: "'At the meetings with Moldova's leadership, Defence Ministry, and MFA representatives, some problems regarding the situation in Moldova and in Europe in general were discussed. I hope the Dniester problem will be solved as well as the Gagauzian was,' stated Mehmet. Referring to a cooperation in the security sphere between these two countries, he mentioned that Turkey will grant support to Moldova for its military staff training in special Turkish institutions."]

Snegur, Romanian Ambassador Discuss Cooperation

*AU2208181595 Chisinau INFOTAG in English
1920 GMT 21 Aug 95*

[FBIS Transcribed Text] Chisinau, INFOTAG, 21/8/1995 — Moldova and Romania should support each other in international organizations, President Mircea Snegur and Romanian Ambassador Marian Enache stressed at their today's meeting. In that context they pointed out that such an interaction does exist at present: Romania supported Moldova in its joining the Council of Europe this past June.

"Snegur and Enache discussed various aspects of bilateral cooperation which is fruitfully developing", the presidential press service said to INFOTAG.

President Snegur remarked that "Romania's economic achievements are an example to be followed, and Moldovan economic agents should derive a lesson from the positive experience".

Snegur, Gagauz Leader Discuss Economic Emergency

*AU2308113495 Chisinau INFOTAG in English
1920 GMT 22 Aug 95*

[FBIS Transcribed Text] Chisinau, August 22 (INFOTAG) — Moldovan President Mircea Snegur met with Gagauzi Bashkan (head) George Tabunshik today. Their dialogue was around the dramatic economic situation in South Moldova, which induced the Gagauzi Popular Assembly to appeal to Chisinau with a request to announce an economic emergency in the region.

Mr Snegur spoke for a more concrete cooperation between Gagauzi and the Moscow Government in establishing joint ventures in cattle breeding, light industry, and wine-making. At the same time, the President spoke for closer contacts with Turkey which showed preparedness to support the Gagauzes. A Gagauzia delegation is expected to pay a visit to Turkey with an aim of establishing economic contacts — with an account that during a recent meeting with the Moldovan leader in Bucharest the Turkish President Suleiman Demirel had confirmed his country's readiness to allocate $35 million to Moldova.

Mircea Snegur said today that he had requested the Government to consider the Gagauzi Popular Assembly's appeal to impose an economic emergency in the southern region.

Gagauz Anniversary Passes Without Official Celebration

*AU2308112895 Chisinau BASAPRESS in English
1930 GMT 22 Aug 95*

[FBIS Transcribed Excerpt] Comrat 22/08/1995 (BASA-PRESS) — For the first time in the last five years Comrat did not officially celebrate Gagauzia's autonomy. This holiday was viewed by Chisinau authorities as unconstitutional. Previously, the day Gagauzia declared its independence from Moldova was celebrated on August 19. A year ago, Mihail Kendighelean, former leader of Comrat parliament, declared that "no matter what our land will be like in the future, the Gagauz people will always celebrate August 19." [passage omitted]

Paper Comments on Snegur's Political Future

*AU2308113695 Chisinau INFOTAG in English
1920 GMT 22 Aug 95*

[FBIS Transcribed Text] Chisinau, August 22 (INFOTAG) — The latest political steps undertaken by Mircea Snegur signify the beginning of his struggle for the next presidential mandate, asserts governmental "Moldova Suverana" newspaper in today's political commentary. "The result of the election will depend on the balance of main political forces which were constitutionalized during the last decade", the paper writes, and names three leading forces in the political struggle.

"The first force is concentrated around agrarian democrats and is formed by rural directors, state officials in Chisinau and in the localities, industry directors, banking elite, and representatives of small and medium businesses. That is the force that really rules the republic".

The second force are the left "who are, in fact, not the ones they say they are. Most of them do not care about the people, and they utilize social protests with the only goal: to come to power. Their statements about intentions to build socialism, to restore the totalitarian regime are just words smoke-screening their only goal: power".

The author believes that "the third force are national democrats who advertise national exclusiveness which, should it be announced a state policy, will provoke bloody conflicts like the ones in Dniester and Gagauzia".

The commentary entitled "The Conjuncture Alliances, and President's Political Solitude" emphasizes that currently Mircea Snegur has departed from all political forces and "is placing emphasis on a group of people who have set up a new party with an aim of creating a fourth political force".

"Parties may be set up any time and by anybody. But political forces emerge and develop by themselves, according to their own internal laws, and during decades... A fourth political force just does not exist here. Hence, this means that President Snegur, misled by the revanche sentiments of his advisers, is moving to a complete political solitude", the newspaper concludes.

The author believes that the President can be saved from the isolation and solitude only "by fulfilling his obligations to protect the legitimate Parliament and the democratically elected Government".

Kazakhstan

Pakistani Prime Minister Pays 3-Day Visit

LD2308092495 Moscow Radio Rossii Network in Russian 0700 GMT 23 Aug 95

[FBIS Translated Text] Pakistani Prime Minister Benazir Bhutto has begun her visit to Kazakhstan and Kyrgyzstan.

Issues relating to cooperation between Kazakhstan and Pakistan within the framework of the Economic Cooperation Organization will be discussed in Almaty. It is expected that a bilateral agreement on avoidance of dual taxation on trade and a number of documents on mutual encouraging of investments will be signed as a result of the visit.

In Kyrgyzstan the head of the Pakistani Government will take part in festivities devoted to 1,000th anniversary of the Kyrgyz Manas epic poem.

Bhutto Makes Statement on Arrival

BK2308094395 Islamabad Radio Pakistan Overseas Service in English 0800 GMT 23 Aug 95

[FBIS Transcribed Text] Prime Minister Benazir Bhutto was accorded a very warm welcome when she arrived in Almaty this afternoon on a three-day official visit to Kazakhstan at the invitation of President Nursultan Nazarbayev. She was received at the airport by Prime Minister Akezhan Qazhegeldin and Madam Akezhan as well as senior Kazakh officials. Formal welcome ceremonies were held at the Presidential Palace, where on arrival the prime minister was received by President Nursultan Nazarbayev and the first lady. The prime minister was presented a guard of honor and national anthems of the two countries were played.

In a statement on her arrival in Almaty, the prime minister said her visit to Kazakhstan is aimed at translating abiding ties of two countries in modern political-economic terms. She said the potential for further development of bilateral relations and cooperation is tremendous and her government is endeavoring to realize it without further loss of time. Ms. Benazir Bhutto said stability and peace is a prerequisite for economic progress in the region.

The prime minister in her statement also referred to the grave situation in occupied Kashmir where a valiant struggle for the right of self-determination by Kashmiris is unmatched [as heard] by brutal use of force, ruthless suppression and violation of human rights by Indian occupation forces.

Russia Starts Financing City of Leninsk

MM2308103095 Moscow KRASNAYA ZVEZDA in Russian 23 Aug 95 p 1

[Report by Anatoliy Ladin under the "KRASNAYA ZVEZDA and News Agency Correspondents Report" rubric: "Leninsk 'Breathes' More Easily"]

[FBIS Translated Text] Baykonur — Following the recent alarming reports from the city of Leninsk, it is pleasing to learn that in May the Russian Ministry of Finance transferred 300 billion rubles [R] at once to the city treasury, and over R30 billion in June. Leninsk has started to receive a Russian allowance.

This was reported at what was evidently the last session of the city maslikhat [assembly] by City Administration Head Gennadiy Dmitriyenko. The point is that the vice premiers of Russia and Kazakhstan recently signed an agreement on the status of Leninsk. It makes no provision for representative power. All power is entrusted to the city's administration. It follows from Gennadiy Dmitriyenko's elucidation that Leninsk is becoming an administrative-territorial unit of Kazakhstan and a component of Russia's federal center.

Joint Venture With Canada To Develop Uranium Deposits

MM2208123095 Moscow IZVESTIYA in Russian 22 Aug 95

[INTERFAX report: "Canada and Kazakhstan Set Up Uranium Extraction Joint Venture" — from the "Financial IZVESTIYA" section p i]

[FBIS Translated Text] The Kazakhstani Joint-Stock Company for Atomic Power and Industry (KATEP) and Canada's Uranearth Exploration and Mining and Cameco Corporation have announced their intention of setting up a joint enterprise to explore the uranium fields of Inkay and Munkuduk in southern Kazakhstan. Under the preliminary accord each side will hold one-third of the capital of the enterprise, which will work using underground lixiviation technology. Kazakhstan is one of the leading producers of uranium among the former USSR's republics; major areas of uranium ore are located in northern and southern Kazakhstan. According to Russian experts, 29 percent of all the former USSR's stocks of the nuclear raw material are on Kazakhstani territory.

Government Bans Oil-Gas Prospecting in Caspian

LD2308055695 Almaty Kazakh Radio First Program Network in Russian 0425 GMT 23 Aug 95

[FBIS Translated Text] The republic's Ecology and Biological Resources Ministry has banned further prospecting for oil and gas in Kazakhstan's sector of the Caspian shelf in connection with flagrant breaches of the regulations established there for conducting the seismological-prospecting work that has been carried out by the Kazakhstan Caspi Shelf consortium since last year.

Explosives should have been placed in the depths of the sea at least 1.5 meters below the sea bed. The American Western Atlas company was hired by the consortium to probe the depths in search of hydrocarbon raw materials. This company, however, failed to remain within the set parameters, thus causing damage to the environment. Competent specialists are now trying to establish exactly how much damage was done and what led to the flagrant breach of regulations for conducting seismological-prospecting.

PKK Said Winning Support of Kazakhstan Kurds

NC2208160695 Ankara TURKISH DAILY NEWS in English 16 Aug 95 pp 1, A8

[Report by Ilnur Cevik]

[FBIS Transcribed Text] Almaty, Kazakhstan — Separatist Kurdistan Workers' Party (PKK) militants are active in Kazakhstan, managing to influence the tens of thousands of Kurds living there and convince them to distance themselves from the ethnic Turks in the country.

According to estimates, there are some 150,000 to 200,000 Kurds living in Kazakhstan who were forced to migrate from the Caucasus area during the Stalinist era in the Soviet Union. In Kazakhstan there are also about 300,000 to 500,000 Ahiska Turks who were also forced to migrate from the Caucasus during the Soviet period and who are of the same ethnic origin as the Anatolian Turks.

A Turkish source, who asked not to be named and who has been living here since the country became independent following the demise of the Soviet Union, said these Turks and Kurds had lived here for several decades and were both commonly referred to as "Turks." "They spoke Turkish and they always mingled with each other," he said.

However, things changed three years ago. A Turkish university student said that in late 1992 and early 1993 PKK militants came to the country and started campaigning against Turkey among the Kurds. They systematically planted the seeds of enmity and separatism. As a result Kurds started distancing themselves from the Turks and stopped speaking Turkish. More and more Kurds opted for Kurdish and now refuse to speak Turkish under any circumstances.

The PKK officials reportedly openly boast about their successes here and tell everyone how they recruit militants and take them to Turkey to fight in their terrorist campaign against Turkish security forces.

The PKK even has its own publications in Kazakhstan. The PKK militants are active especially in the Almaty fruit and vegetables market, the TDN [TURKISH DAILY NEWS] was told. According to information received by the TDN, the director of the fruits and vegetables market is a PKK official who has close links with the local mafia.

The Kurdish activists also dominate the second-hand car market in Kazakhstan as they buy cars in the Gulf area and sell them here.

The TDN was told that the Kurds mostly live in and around Almaty as well as in the Jambul area to the west of the Kazakh capital.

Local Turkish sources say that the PKK is well established in the region and that the Kurds have good connections in Kazakhstan which would mean Turkey may not be too successful if it approaches the Kazakh authorities to curb the activities of the PKK.

Armenia

Iran's Ruhani Gives News Conference on Visit

NC2208205195 Yerevan NOYAN TAPAN in English 1710 GMT 22 Aug 95

[FBIS Transcribed Text] 22/08/95 NOYAN TAPAN — "Cooperation between the Islamic Republic of Iran and Republic of Armenia are currently on a good base. Numerous agreements signed between our countries yielded desired results," Vice-Speaker of the Iranian Parliament, secretary of the IRI [Islamic Republic of Iran] Security Council Hasan Ruhani stated at a August 22 press conference in Yerevan. He pointed out that for the last two years private sectors of Armenia and Iran were especially good. Ruhani reported that a bridge through Araks River connecting Armenia with Iran would be soon put into operation.

Touching upon the issue of recent murder of Iranian driver at a highway Goris-Megri, Mr. Ruhani pointed out that they attached great importance to the problem of security of Iranian citizens. He reported that during a meeting with the Armenian Prime Minister, the latter presented his deep condolences in connection with the event and assured that everything would be done for catching the criminal. "We value the condolences of the President and Prime Minister," Mr. Ruhani said, emphasizing that this visit of the Iranian delegation had nothing to do with the event and was planned a month ago.

Responding to a question by NOYAN TAPAN correspondent Ruhani reported that during the meeting with the National Assembly's Chairman issues of cooperation between the Parliaments of the two countries were discussed. He pointed out that a research center of the Iranian Parliament would cooperate with appropriate authorities of the National Assembly.

Mr. Ruhani said an agreement on closer cooperation between scientific-research and cultural centers was reached.

A necessity of transition from simple trade relations to establishment of joint ventures and organization of investments was emphasized.

Speaking of the Armenian-Azeri conflict, Mr. Ruhani pointed out that Armenian Foreign Minister Vahan Papazyan said that Armenia had no territorial claims to Azerbaijan. "Greeting such a position of Armenia, we consider that the occupied territories must be returned," Ruhani said.

IRI Security Council's secretary noted that they attentively observed the political events happening in Armenia and were interested in reinforcement of stability and democracy in the neighboring countries.

Editorial Defends Paper's Politics

954F3161A Yerevan GOLOS ARMENII in Russian 17 Aug 95 p 1

[Article by Flora Nakhshkaryan, GOLOS ARMENII editor in chief: "Do Not Look for Paint for a Label! Or, the Right to a Vote"]

[FBIS Translated Text] "A Red newspaper," a "camouflaged 'Communist' nurturing revanchist plans!..."

The "yellow press," a "rag" that picks up questionable rumors and improper stories and scandalously flaunts "clumsy writing...."

"GOLOS is a secret organ of Dashnaktsutyun...."

"A 'Ramkavar newspaper,' but cleverly, without declarations: It supports the Ramkavars, but seemingly incidentally. This is so. The Ramkavars bought GOLOS a long time ago...."

"The NDS [National Democratic Union] + Ashot Manucharyan + Igor Muradyan are the bosses of the newspaper, this is clear. Otherwise, why would they and their party be assigned so much space? The rallies alone cost a lot...."

....And this is all about us, about GOLOS ARMENII, but, of course, it is not only this: One also hears other variants with combinations about the spirit and the motivating idea and about the purpose and sense of our newspaper's struggle for survival.

A label is being cut out and colored by the offended party in strict accordance with the theme that is being elaborated by the editorial staff and with the consistency with which this elaboration is being done. The "more celebrated" the theme, the more meaningful is its resonance, and the more difficult it becomes for GOLOS: The channels of objective information are closed, and pressure is brought to bear by all possible means (and there are many, and they vary depending on the level of intellect, inventiveness, and friendly ties with the offended party).

The more consistent the newspaper is in illuminating phenomena that are socially meaningful from our standpoint, the louder is the chorus that GOLOS is personally involved (including financially) and is temporizing for this reason.

....We printed no less than two dozen articles on the "affair of the aviators," no less than four dozen—on the "Rostovskiy affair," cassettes of articles on the Aras International firm, about the attempt on the life of a highly placed person from the republic's Procuracy, about contract murders, about the affair of Vaan Avakyan, about the affair of Ruben Yesayan, about the affair of the former Minister of Trade Tigran Grigoryan, about the affair....

....There were very many celebrated cases that GOLOS ARMENII threw light on with various degrees of depth and consistency. And each time, when touching on the interests of some group of powerful people, we were favored with an inadequate reply—unreasoned "socks on the jaw" in unofficial organs, court challenges, threats, "economic sanctions," eviction actions....

I must say that President Levon Ter-Petrosyan kept his promise given during a brief conversation with me in the American Embassy: GOLOS now is not being evicted and closed.

We are sincerely happy and grateful to the president and to fate that we were spared from a long, exhausting, and meaningless dispute with the bureaucratic machine. But now, since no one is chasing GOLOS out of its home, the Press House, do not consider it an indelicacy: We also still want to be correctly understood.

The thing is that we in fact serve one idea (and we do not conceal its essence). We want very much with all of our strength to promote and even, in the example of the biography of GOLOS ARMENII, to confirm the rights and duties of citizens and of a civil democratic society in our country. We are trying to see to it that all branches of power take into account the opinion of our authors and our opinion, inasmuch as we are citizens of our country, constituents of representative authority, and taxpayers. We want a dialogue to emerge finally between the authorities and the citizens, whose arguments still hang in the air; we want to see to it that the actions of the authorities, of all three of its branches, are comprehensible to the people, in particular to our authors and to us, for we are citizens of this country.

And, therefore, there is no need for labels.

A citizen of the republic must have the right to a vote. And GOLOS must have a right to vote "for a different idea"—a right to dissent, and to its view of occurrences and events.

Incidentally, the aspiration to reflect an unconventional and uncommon viewpoint was never considered oppositionist in any society. This is simply the normal urge of a normal newspaper. Especially if various colors are mixed on its pages as on a palette. In our case, the colors are communists, Ramkavars, Dashnaks, the NDS, the Armenian Pannational Movement.... As in our life.

Thus, should the newspaper be tagged with labels depending on the theme that life splashes out in its columns?

Azerbaijan

Aliyev, OSCE's Kazimirov Discuss Next Round of Talks

NC2208210995 Baku TURAN in English
1337 GMT 22 Aug 95

[FBIS Transcribed Text] Baku/22.08.95/TURAN — Today the President of Azerbaijan Geydar Aliyev received the Deputy of the Russian co-chairman of the OSCE Minsk group for Nagorno-Karabakh Vladimir Kazimirov.

Kazimirov said that he had arrived to the region for preparation to the next round of negotiations of the Minsk group which is to be held from September 4-to 14.

Kazimirov appealed to the president with request to send to the negotiations of the Minsk group to Moscow military experts for the discussion of the military-technical problems on the settling the conflict.

"Total work of the Minsk group in Moscow will be based on the previous negotiations and it includes the work over the preparation of the text of peaceful agreement and the work on the key problems," Russian diplomat said.

Kazimirov noted that signing of the final agreement would be impossible without approaching of the positions of the warring parties. Positions of Yerevan and Stepanakert on the status differ. Yerevan agrees to resolve the problem on the status at last stage, and Stepanakert — at first stage. "If that situation goes on the peaceful resolution of the conflict will be under the danger," Kazimirov said.

"I stand for continuation of the negotiations," the President Aliyev said and noted that the constructivism of both sides is necessary. The Minsk group has to determine which question and on which stage should be resolved. According to the president, frequent reference to the status of Nagorno-Karabakh can make the situation more complicated and will prevent the resolution of the conflict.

"I state that it is necessary to resolve the problem and not to stand idle," Aliyev said.

Then the meeting continued behind the closed doors.

Russian Envoy Talks on Karabakh Settlement

LD2208162095 Moscow INTERFAX in English
1308 GMT 22 Aug 95

[FBIS Transcribed Text] BAKU, Aug 22 (INTERFAX) - The Russian Presidential Envoy Vladimir Kazimirov is conducting consultations, in Baku today, with the Azerbaijani leadership on key issues regarding settlement in Nagorno-Karabakh.

Kazimirov's deputy Sergey Rezchikov told INTERFAX that depending on the consultations' results, Kazimirov would either stay in the region or return to Moscow.

Details of the consultations have not been released yet.

Earlier, Kazimirov discussed with the Armenian leadership in Yerevan chances for nearing the sides' positions regarding political settlement in Karabakh. A negotiator told INTERFAX that Armenia was still in favor of resolving the Karabakh problem step by step. The gradual settlement provides for withdrawal of troops from the line of engagement and possible deployment of international peacekeeping forces in the conflict zone. Under this plan, discussion of Karabakh's political status within the OSCE Minsk Conference is possible only after Karabakh's security is guaranteed.

Another round of talks on finding a political settlement to the Karabakh conflict, under the mediation of the OSCE Minsk Conference, is expected to take place in Moscow on September 4-9.

Prime Minister Meets With German OSCE Figure

NC2308101495 Baku TURAN in English
1111 GMT 22 Aug 95

[FBIS Transcribed Text] Baku/22.08.95/TURAN—Yesterday Azerbaijani Prime-Minister, Fuad Guliyev, received the Deputy of German Bundestag, the head of Bundestag for Caucasus, Deputy Chairman of the OSCE Parliament, Willy Simmer.

The press-service of the Cabinet reports the sociopolitical situation in the republic and development of Azerbaijani-German bilateral relations have been discussed at the meeting. Touching upon settlement of the Armenian-Azerbaijani conflict settlement Mr. Simmer said Azerbaijan is a victim of aggression and it contradicts to all international norms. Mr. Simmer comes out for peace settlement of the Armenian-Azerbaijani conflict and unification of efforts of all international organisations for development of Azerbaijan.

The Premier Guliyev noted objective position of the representative of the German Parliament and acknowledged the course for further development of the Azerbaijani-German relations.

The Vice-speaker of the Azerbaijani Parliament, Yashar Aliyev, and the head of the German mission in Azerbaijan, Michael Schmunk, also attended the meeting.

General Musayev Denies Charges of Coup Involvement

NC2208150595 Baku TURAN in English
2039 GMT 21 Aug 95

["General Shahin Musayev: 'Talks About the Attempts and Military Coups Are Nonsense'"—TURAN headline]

[FBIS Transcribed Text] Baku/21.08.95/TURAN — "I do not know what Geydar Aliyev had said about me but I categorically refute any statements about my being involved in the coups. I have never dealt with such kind of affairs," TURAN was told by the General Shahin Musayev, presently he lives in Kirovograd city (Ukraine.) According to him, professional military man will never deal with acts of terrorism and any conspiracy.

It was reported that the President Geydar Aliyev told in his address the other day about the reveal of group of conspirators whose objective was to overthrow the present leadership. According to him, this coup was headed by the former high-ranking generals from the Defence Ministry of Azerbaijan — Shahin Musayev, Vahid Agayev and Rafig Agayev. The president noted that the conspirators were arrested. The same was told during the ceremony in the mosque "Teze-Pir" on the occasion of birthday of the Prophet Muhammed on Friday, August 18.

"I have been far away from Azerbaijan for more than two years. In May this year I arrived for a short time to visit my relatives. I do not know if there are any oppositional circles in Azerbaijan. And, at last, I do not belong to any of them. I saw Ayaz Mutalibov last time on May 14, 1992," Musayev said.

Then, Shahin Musayev said one more interesting detail: "I have heard some rumours about the coups and that is why I had called to the Ambassador of Azerbaijan to Moscow Ramiz Rizayev and asked him about the coups and the attempts. He said that he had just arrived from Baku and all talks about the attempts on the life of Geydar Aliyev and the coups were nonsense."

General Musayev said that he had been living with his family in Ukraine from 1984. "After retire from the Soviet Army I arrived in Azerbaijan at the request of the leadership of the republic. In 1992 I was dismissed from my post of the Chief of head-quarter."

Speaking about the reasons of giving up Shusha and Lachin in 1992 Musayev said that then the influence of the political parties was very strong and the central leadership was not satisfied with that.

"I am beyond the politics, it is my credo," Shahin Musayev said. He noted that he would like to see Azerbaijan independent and strong state, following the norms of democracy, without police regime, corruption and bribery.

Karabakh Armenians Invited To Take Part in Elections

NC2308101995 Baku TURAN in English 1115 GMT 22 Aug 95

[FBIS Transcribed Text] Baku/22.08.95/TURAN—Yesterday there was the second session of the Central electoral Commission. The issues concerning creation of one-mandate electoral districts have been discussed during the session. The Central Electoral Commission recommends to discuss this issue at the Milli Mejlis.

It has been decided to discuss the following issues at the Milli Mejlis:

— On creation of 100 electoral districts on territorial-administrative principle and on the principle of number of population;
— On common representation of population in one-mandate districts, where the norm must be 74,200 persons.
— On creation of 23 districts in Baku, 5 districts in Nakhichevan Autonomous Republic, 4 districts in Sumgait and 4 districts in Ganja. In other regions of Azerbaijan there will be one or two districts depending on number of population. Totally 9 electoral districts were created on Azerbaijani regions occupied by Armenians.

The Chairman of the Central Electoral Commission, Jafar Veliyev, told Turan the issue concerning participation of population from occupied Azeri regions at elections is to be settled within 3-4 days. Veliyev noted one of the most difficult problem is participation of displaced persons at the forthcoming elections.

Jafar Veliyev said Armenian population of Azerbaijan also has the right to take part at elections. The letter with the proposal to take part at the elections will be sent to Hankendi [Stepanakert].

Party Leaders Debate Election Plan

954F3144A Baku ZERKALO in Russian 12 Aug 95 No 29, p 4

[Comments of representatives of Azerbaijani political parties: "The Election Law: 'Pros' and 'Cons'"]

[FBIS Translated Text] Our newspaper continues to publish an election campaign discussion between representatives of political parties and movements. We continue to acquaint our readers with the opinions of representatives of both pro-government and opposition forces, without drawing any conclusions and without attempting to decide who is "right" and who is "wrong," seeing the task of the press not in imposing its opinions on the reader but rather in providing the fullest possible information on the activities of as many political parties as possible, leaving it to the readers, who in the fall will become voters, to draw their own conclusions.

Arif Ragimzade, deputy chairman of the Azerbaijani Supreme Council: "The Draft Law Is Quite Acceptable"

The National Assembly discussed one draft law, submitted by the president of the Azerbaijani Republic. Its essence: a single-house parliament, elected through a mixed majority-based and proportional system. I believe that the draft law is quite acceptable; it takes into account the realities of our current state of affairs, the prospects for the formation and development of democratic Azerbaijan. The above does not represent my subjective opinion. Any unprejudiced person, familiar with the discussion of the draft law in the National Assembly, will come to the same conclusion.

The National Assembly was given the information presented by the Party of National Independence and the "roundtable" bloc of political parties. These draft laws do not propose anything principally new. The same single-house parliament, elected through a mixed system. The difference is in the approach. The substance of the political parties' proposals boils down to creating conditions whereby their role in forming the parliament would be immeasurably greater than the one they actually play in the society.

A two-house parliament has a lot of advantages that cannot be denied. The main among them is that the upper house becomes a filter for insufficiently thought-through draft laws submitted by the lower house. An important argument in favor of a two-house parliament also is that it is conducive to the activities of the legislative and executive authority, promotes stability in the society.

At the same time, I believe that for a number of reasons the society currently is not ready to accept this idea.

Deputies, regardless of their political preferences, mainly discussed the proposed draft in a constructive tone, despite expressing sometimes diametrically opposite opinions. Therefore, I think, it would be more correct to say that the remarks were presented from the position of party interests and from the position of the interests of the unpoliticized part of the population.

To be specific, the main criticism put forward by those speaking from the position of the parties was as follows:

Half of all deputies, rather than 20 percent as envisaged by the draft, should be elected through party lists. The other side believes that elections should be 100-percent based on the majority system, putting forward a quite convincing justification for its idea. It is not possible, and there is no need, to enumerate all of the opinions here. I do want to mention, however, one argument presented by Supreme Council Chairman Rasul Gudiyev. There are about 4.4 million voters in the republic. And if we accept the proposal to nominate 50 percent of candidates through party lists, 400,000 party members will be given the same powers as the remaining 4 million of the unpoliticized population. It would be extremely unfair to the overwhelming majority of the population.

I will add from myself that at the current state of development of the parties, with many voters not even knowing their names, let alone goals and tasks, it is impermissible to give them the monopoly on nominating half of all deputies. The 20-percent quota envisaged in the draft is a big advance that they still have to make good on. On the other hand, there are no limits for the parties' campaigning activities under the majority-based system.

There are proposals to reduce from 8 to 2 percent the threshold of the vote parties must get in order to gain seats in the parliament; to reduce the number of voters needed to support a candidate as compared to that envisaged in the draft; and to increase party representation in electoral commissions by reducing the number of neutral, nonpoliticized persons. These and some other proposals also pursue the goal of giving the parties powers in forming the parliament that are incommensurately greater than their role in the society.

Of course, many constructive proposals too were presented in the course of discussion, and they will be reflected in the law.

Zardusht Alizade. member of the Central Committee bureau of the Social-Democratic Party of Azerbaijan: "...Before the Voters, a Bureaucrat Will Decide"

It is over there, in other places, that elections hold surprises. Presidents and heads of government, party leaders watch the figures on the day of elections with heart palpitations: What will the people decide? Thank Allah, in Azerbaijan this is not an issue. The people have never refused those (or the one) who controlled the executive authority, gave orders to enforcement structures, appointed and dismissed local rulers.

We have a different question: What percentage will they wish for themselves? It is not important whether cultured and informed people will laugh at this percentage. The percentage may be Stalin-times high. But then, it is designed for "Stalin-times" people.

Over the past month, two issues fascinated the press. Which parties will the authorities permit to participate in the elections, and what terms of the election game will they dictate? It is abundantly clear that the ideal for the executive authority is the model of Soviet soviets. And in general, the principle of separation of powers is deeply alien to the substance of the single authority being imposed on us. Therefore, only those parties that fit into this scheme will be allowed to enter the elections. One would think: There are parties; there is an electoral process, and let the voter decide. But no, before the voter, the decision is made by a bureaucrat. Naturally, at someone's direction...

Despite the visible grave conflict between the authorities and the opposition, those in the know also are aware of the community between part of the opposition with the aforementioned authority on the basis of common tribe interests. As to the terms of the electoral game, they will squeeze into the parliament through a needle's eye of insignificant quota. The lion's share under the majority-based system will go to candidates who are capable of controlling by administrative and financial methods the vanquished masses. In any case, one can be completely certain that after the elections the executive authority will strengthen control over the legislative one, whose powers will also be truncated by the new Constitution.

How will such a result be perceived? When it comes to Azerbaijan, Western democracies are forgiving. The reasons are clear: oil, the level of popular political culture, and the need to legally formalize Armenian successes. As to the citizens, they are in a state of prostration and are more concerned about their daily bread. Karabakh and human rights are gradually becoming quite abstract notions. Is there any force capable of changing the situation? Look around; look into your soul, and you will understand.

Sabir Rustamkhanly, chairman of the Civic Accord Party: "All Drafts Have Their Positive Sides"

Draft laws proposed by Party of National Independence of Azerbaijan and the National Front of Azerbaijan have their positive sides. But the parliament made a decision to base the discussion on the draft law on elections presented by the Constitutional Commission.

I think that when line-by-line discussion begins, there is a probability that a number of positive points from other proposed draft laws will find their way into the final version. This goes first of all for the question of forming the electoral commission and associated issues;

the size of the future parliament; the ratio of deputies elected through the proportional and the majority-based system; the number of signatures needed to register party lists and the percentage of the vote needed to be represented in party lists, as well as the question of the quorum. I believe that it is practically impossible to collect 50,000 signatures needed to register a party list. This figure has to be cut at least by half. Candidates being nominated through the majority-based system are required to collect 2,000 signatures—this is also too much. I think, 1,000 will be quite enough.

The question of quorum. It is very difficult to get 50 percent of the population in Azerbaijan to vote. This figure should be reduced to 40-45 percent. Imagine that 47 or 48 percent of voters turn out for the elections, but since this does not meet the quorum requirement, repeat elections will have to be held several times. Which is an additional waste of time and state money. Besides, it may prompt the electoral commission to falsify election results.

Ramiz Akhmedov, chairman of the Communist Party of Azerbaijan: "Elections Will Explode the 'Soap Bubbles' of Many Parties"

Among all the laws being considered by the National Assembly, the draft law on elections in a certain sense stands out by its democratic spirit. It cannot be otherwise. This law, by its essence, presents its creators with very strict demands: It should awaken the interest among different population strata, make people who are eligible to vote to come to the ballot box and elect their representatives.

Of course, in order to improve this draft law, proposals can and should be put forward. For instance, the considerable age differential between citizens who possess active and passive electoral rights; the ban on members of the military to be elected to the parliament. And this is despite the fact that we face the task of dealing with military problems. There are also opposite examples. Without any need for it, part of the leadership of the executive branch is given the opportunity to be represented in the legislative organs, and so on.

As usual, in the discussion of this draft law, the National Assembly displayed more fight between political groups for getting at least one chair in the parliament than the desire to expand the democratic boundaries of the law. It is very strange, but for some reason the parties that have not even gone through official registration or have no social base are given more opportunity to place themselves at the forefront. Mysteriously, people who have nothing to do with the Communist Party of Azerbaijan are being invited both into the president's staff and the National Assembly as representatives of communists. These people during the times of the republic's former leadership had been implanted into the communist movement for the purpose of sabotage. These "representatives" by their primitive speeches and unobjective ravings are deliberately trying to form an erroneous opinion of the Communist Party.

The "democrats" understand very well that the Azerbaijani people will never believe them again. Knowing that the people will boycott them, these politicos themselves decided to get ahead of events and to threaten to boycott the elections. Some "leaders" making pompous statements right and left that they have the support of the majority of the electorate turned out to be incapable of collecting 50,000 signatures needed to get a party mandate. They urge that this figure be reduced practically to the number of their family members. So where are those millions of voters who were supposed to bring them the victory crown? The answer is simple: These groups never had and do not have any social base. The elections, as a result of which the new National Assembly will be elected, will explode the "soap bubbles" of many parties, throw them out of the political arena.

However, the law in itself is not enough to ensure normal democratic elections. The law must be implemented, and this requires a democratic atmosphere. The top leadership's promises alone cannot guarantee the creation of such an atmosphere. We are concerned that the heads of executive authority of most rayons and cities in the republic, corrupt and willing to do anything, will try to influence the elections in order to keep their seats. And in the center too, there are enough interested people who are currently in power.

International observers are unable to monitor the objective conduct of elections everywhere. In our opinion, international observers and members of the Central Electoral Commission should set up observer-monitoring groups, which, in turn, must quickly react to the signals of representatives of parties represented in the election precincts. After the polling stations close, the results must be immediately counted right there. Representatives of parties must receive in writing a document showing the party's results at this polling station. One can only hope for "neutral" central and district electoral commissions.

No matter what, we are going into the elections with faith and hope.

Georgia

Iranian Parliamentary Delegation Arrives

LD2208200995 Tbilisi First Program Television Network in Georgian 1657 GMT 22 Aug 95

[FBIS Translated Text] A parliamentary delegation from the Islamic Republic of Iran arrived in Tbilisi this evening. The delegation is led by Dr. Ruhani, deputy speaker of Iran's Islamic parliament, secretary of the Supreme Council for National Security, and chairman of the Foreign Policy Commission.

The Iranian delegation was met at Tbilisi Airport by Vakhtang Goguadze, speaker of the Georgian Parliament, MPs, Fereydun Haqbin, ambassador of the Islamic Republic of Iran to Georgia, embassy staff, and other officials.

The guests and hosts then left the airport for the Krtsanisi government guesthouse, where Ruhani and Vakhtang Goguadze had a brief discussion about past and present Georgian-Iranian relations. It was said that after two centuries, friendly relations between the two countries have been restored. Dr. Ruhani said that Iran is pleased with the restoration of Georgia's independence, which allows it, without any interference, to establish businesslike and friendly contacts with all countries, including Iran.

In the course of the visit by the Iranian parliamentary delegation, new guidelines for cooperation between Georgia and Iran will be mapped out.

Also at the Krtsanisi guesthouse today, Vakhtang Goguadze hosted a dinner in honor of the guests.

Abkhaz Parliament Rejects Russian Settlement Protocol

LD2208203595 Moscow INTERFAX in English 1747 GMT 22 Aug 95

[FBIS Transcribed Text] Sukhumi, Aug 22 (INTERFAX) — The Abkhaz parliament rejected a draft protocol on Georgian-Abkhaz settlement proposed by Russia, a mediator to the conflict, at its sitting Tuesday [22 August].

An Interfax correspondent reported from Sukhumi that the deputies disagreed with the provision on the unity of the Georgian state.

Abkhaz leader Vladislav Ardzinba told the sitting that his republic supported "union and equal relations between Abkhazia and Georgia."

Ardzinba suggested Foreign Minister Leonid Lakerbaya head the Abkhaz delegation to the settlement talks. The motion had been put forward by a group of deputies unsatisfied with the activities of its former head, Andrey Dzhergeniya.

The deputies blamed Dzhergeniya for "giving up positions" at the talks.

Ardzinba did not support the proposal to refuse Russia's mediation and launch direct talks with Georgia, put forward by Deputy Parliamentary Chairman Stanislav Lakoba, highly praising Russia's efforts in the peacekeeping process in Abkhazia.

Abkhazian Parliament Speaker on Draft Protocal Settlement

LD2208172695 Moscow INTERFAX in English 1308 GMT 22 Aug 95

[FBIS Transcribed Text] Sukhumi, Aug 22 (INTERFAX) — Abkhazian Parliament Speaker Sokrat Dzhindzholia has expressed disagreement with the wording of a draft protocol on an Abkhazian-Georgian settlement. The draft suggested by Russia provides for the creation of a federative state in Georgia.

The document "strips Abkhazia of all rights and lets Georgia make all the cardinal decisions," Dzhindzholia told an Abkhazian parliament session in Sukhumi Tuesday [22 August].

He accused Georgia of reneging on the joint statement on measures for a Georgian-Abkhazian political settlement of April 4, 1994, which ensures formation of a union state on a parity basis.

In the words of Dzhindzholia, "the return of refugees as proposed by Russia would result in the resumption of the conflict."

Describing the Russian role in negotiations as "leading," he said "Georgia thinks that Russia should force Abkhazia to live in a federative state."

The speaker noted that the Georgian-Abkhazian negotiations came to a stalemate in April 1995 when the United Nations distanced itself from the talks.

Abkhazian deputies who took the floor before a break unanimously rejected the draft document proposed by Russia. Abkhazian Foreign Minister Leonid Lakerbaya described the draft "as a document insulting the Abkhazian side" and called for negotiations "on the basis of the Abkhazian Constitution." He also said that only the U.N. can be the guarantor of negotiations.

Lakerbaya called for a referendum on relations with Georgia.

Representative of the Abkhazian president to Georgian-Abkhazian negotiations, Andrei Dzhergeniya, told INTERFAX the Abkhazian side has not signed the draft document proposed by Russia.

He found it difficult to predict further Russian actions but said Georgia prepares for a new war. Dzhergeniya believes that the only way out of the deadlock is compromises.

"Georgia does not exclude the possibility of a military answer to problems with Abkhazia," Abkhazian Defense Minister Sultan Sosnaliyev told INTERFAX. At the same time, he said that combat operations will not resume in the near future. "Any use of force is unpromising," said the minister.

Latvia

German Defense Minister Ruehe on 2-Day Visit

Tours Training Facilities

LD2208172995 Moscow INTERFAX in English
1308 GMT 22 Aug 95

[FBIS Transcribed Text] Riga, Aug 22 (INTERFAX) - German Defense Minister Volker Ruehe, who is paying his first visit to the three Baltic countries, came to Latvia on a two-day visit today.

Ruhe will visit the Baltic peacekeeping battalion's training center in the Adaji village near Riga. He will meet with Latvian President Guntis Ulmanis, Prime Minister and acting Defense Minister Maris Gailis and representatives of the parliament.

The Latvian Defense Ministry's press center told INTERFAX that at their talks the Latvian leaders and the German minister would focus on German assistance for the development of the Latvian Armed Forces in line with NATO standards.

Germany is one of the countries with which Latvia has concluded a treaty on cooperation in the defense area. The treaty was signed in Bonn in September 1994. Latvia signed analogous documents with Poland, the Czech Republic, Denmark, Ukraine and the U.S..

Volker Ruehe will leave for Tallinn Wednesday.

Gorbunovs on Opening of European Union

LD2208183995 Riga Radio Riga Network in Latvian
1700 GMT 22 Aug 95

[FBIS Translated Excerpt] German Defense Minister Volker Ruehe arrived in Latvia today on a two-day visit. [passage omitted]

Straight after his meeting with the visitor, Saeima Chairman Anatolijs Gorbunovs came to the Latvian Radio microphone:

[Begin Gorbunovs recording] The decision in principle on opening up the European Union has already been taken. In fact everything proceeds from that decision. And the countries that have joined the European Union, and are still preparing to join it, will be involved in the security sense too, in the security structures of Europe. However, it will be a lengthy process, and it is after all understandable that the member states of the European Union, as in the way they are preparing to unite on such issues as a common currency, will have to prepare among themselves and agree on such an important issue as security, and also on obligations to such [word indistinct] structures. Of course this may not happen in the space of one or two years. At present 11 countries have expressed a wish to join the European Union. In their opinion every country has its own task during this period. Countries that have expressed a wish to join the European Union must perform their tasks, and (?that is what we are starting to do too) — that is, legislation first of all, putting that in order and adjusting it. In turn, the countries of the European Union, as they now are, (?among themselves) in their opinion, must overcome their egotism and get used to the idea that the balance that existed hitherto will not be maintained. The financial flood that in their opinion so far has flowed from north to south will now have to be redirected in an easterly direction. [end recording]

Ruehe on Baltics Joining NATO, EU

WS2308084995 Tallinn BNS in English
1532 GMT 22 Aug 95

[FBIS Transcribed Text] Riga, Aug 22, BNS — The North Atlantic Treaty Organization and the European Union will eventually enroll 11 more European countries, including Latvia, Lithuania and Estonia, German Defense Minister Volker Ruehe said Tuesday in Riga.

The enrollment will not be simultaneous but it should show that the process is not over with the first new members accepted, Ruehe told Latvian Prime Minister Maris Gailis.

Ruehe spoke in favor of Russia becoming a partner of this process of cooperation but noted that Russia was unlikely to get NATO or E.U. membership in the near future.

Germany "gladly helps" Latvia and the other Baltic states to set up their national defense forces, the minister said.

Germany is also ready to assist to the material provision and training of the Baltic Peacekeeping Battalion at a request of the United Nations.

Gailis thanked Ruehe for the opportunity for Latvian officers and cadets to study in German war schools.

Commenting on Latvian-Russian relations, Gailis said they have entered "a stage of stabilization."

Latvia wants to build good and stable neighborly relations with Russia, said Gailis. The implementation of the troop withdrawal treaty is now the key issue of bilateral issues, he noted.

As reported, Ruehe came to Riga from Lithuania Tuesday fora two-day stop in the frame of his four-day visit to the three Baltic republics.

Ruehe Calls Chechen War 'Big Mistake'

LD2308102295 Riga Radio Riga Network in Latvian 0900 GMT 23 Aug 95

[FBIS Translated Text] German Defense Minister Volker Ruehe is concluding his two-day visit to Latvia today. In the morning, he discussed with President Guntis Ulmanis and Foreign Minister Valdis Birkavs the Baltic states' role in strengthening European security. But before the departure for Estonia, a news conference was held in the Reiterna House in Riga.

[Begin recording] [German Defense Minister Ruehe, in German with superimposed Latvian translation] We are in Latvia on a fateful day for your country. Fifty-six years ago as a result of the mutual agreement between the great powers [Molotov-Ribbentrop pact], the future way of the Baltic states was decided upon, which unfortunately, led you into poverty and misery. Now this way has to lead you back into Europe, with us at the same time jointly implementing the program of strengthening security. Germany in this case has to take the responsibility, and the aid predominantly has to [word indistinct] political meaning, (?rather than) military.

The stability of the Baltic peacekeeping battalion, which includes the Lithuanians, Latvians, and Estonians, is a unit of joint security, which is important until the Baltic states join the European Union.

The war in Chechnya is a big mistake on Russia's part. In our opinion, a solution can only be found by way of talks. [end recording]

Lithuania

FRG's Ruehe Dampens Hopes for Early NATO, EU Membership

AU2308110995 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 23 Aug 95 p 2

[Report by "fy.": "There Are Differences"]

[FBIS Translated Text] Riga, 22 August — During his visit to the Lithuanian capital, Vilnius, FRG Defense Minister Ruehe took the view that the Baltic states' admission to NATO is not an issue at this time and can at best be considered after the entry of other east European states like Poland. Ruehe met with almost all leading politicians of the country in Vilnius on Monday and Tuesday [21 and 22 August]. Neither Ruehe nor his hosts divulged the course or content of the talks.

On Tuesday in Vilnius, after his talk with Prime Minister Slezevicius, Foreign Minister Gylys, Defense Minister Linkevicius, and President Brazauskas, Ruehe talked of a successful visit. Military cooperation is to be continued. Lithuania's willingness to grow into the Western structures without isolating and excluding Russia is important for him, he said.

Ruehe did not deal with the topic of entry into NATO on his own initiative. He only gave reserved answers to questions. One did not discuss details, such as the question of whether entry into NATO should precede entry into the EU. The question of the timetable for entry was also not brought up. Basically, as far as the Baltic states' entry into NATO is concerned, it is important to take the road to Europe, which takes time, he said. Ruehe admitted that this point of view does not apply to all candidates for NATO membership. For Poland, for example, "the things that the FRG chancellor" said during his last visit to Warsaw are valid. "There are differences," the minister said. Speaking to the Polish parliament, Kohl held out the prospect of the country's NATO membership by the end of this century.

As far as EU entry is concerned, Ruehe also intimated that it will take a long time and that he considers any insistence as inappropriate. In the final news conference, Lithuanian Defense Minister Linkevicius thanked Ruehe for the previous support and cooperation. He talked of a broad agreement. Before that, without referring to the talks held by Ruehe, he had expressed his own wish for early NATO membership. After the end of the Soviet Union, one sees a unique chance to integrate within the European alliance structures, particularly NATO. Therefore, Lithuania is determined to make full use of both the Western European Union and NATO's offer of a "Partnership for Peace," in order to become a member of NATO and of Europe with equal rights. Russia is not regarded as an opponent or a threat, he said.

In the Latvian capital, Riga, where Ruehe arrived midday Tuesday, the NATO issue was addressed even more clearly than in Vilnius. Immediately after Ruehe's arrival, Latvian president's security policy adviser Salkans intimated that first of all it is important for Riga to clarify what Ruehe meant by his recommendation in Visby in June that the Baltic states should not push their way into NATO, but orientate themselves toward their Scandinavian neighbors. As can be heard in Riga, the irritation caused by this statement of Ruehe's is considerable. On the diplomatic level and in the Latvian press, a very clear distinction is made between the view that Foreign Minister Kinkel took during his visit in April this year and in his latest statement in this newspaper and Ruehe's view. Kinkel's explanation that the security structures in the Baltics must not be changed to the Balts' disadvantage and that a new gray area must not develop is positively assessed. It is interpreted to the effect that a discrimination against the Baltic states by denying them entry into NATO, while granting it to others, is undesirable. Salkans said that the development of new security policy gray area for the Baltic states might have far-reaching consequences for them and Europe's security.

President Discusses Church-State Relations

WS2208074195 Vilnius ELTA in English 1736 GMT 21 Aug 95

[From "News Bulletin" No. 825]

[FBIS Transcribed Text] Vilnius, August 21, ELTA — In a traditional Monday radio interview, Lithuania's President Algirdas Brazauskas urged leaders of religious confessions and public authorities to be more active in "seeking ways of cooperation and mutual understanding".

There was a general agreement between the State and the Church, all problems might and could be settled by way of cooperation, President said.

Brazauskas voiced criticism towards groups led by some ministers in charge of preparing draft agreements with Vatican for working in a slow manner. Process of drafting agreements on the Church property and divinities should take a faster pace, Brazauskas said.

The Seimas (Parliament) was expected to pass a Law on Religious Communities at its autumn sitting, President said and thanked Father Vaclovas Valiulis and his group for preparing the draft law.

The draft Law was said to offer recognition of the following nine historic and active religious confessions in Lithuania: Roman Catholic Church, Greek Catholic Church, Orthodox Church, Old Believers Church, Evangelical Lutheran Church, Evangelical Reformed Chuch, Muslim, Jewish and Caraimian Chuch.

In his comments on the draft law, Lithuania's leader said he accepted the law's provisions saying that new non-traditional communities "have to pass a kind of examination in our society".

The law provided for such communities to be officially recognized after 20 years of their initial registration, which was in full conformity with the Lithuanian Constitution, President Brazauskas said.

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